Department of Transportation/Public Facilities

Mission

Provide for the safe movement of people and goods and the delivery of State services.

Core Services

- The department is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings.
- Maintenance and Operations of State Transportation Systems: Highways, Airports, Alaska Marine Highway System, Public Facilities, Ports and Harbors and State Equipment Fleet.
- Measurement Standards/Commercial Vehicle Enforcement
- Transportation and Facilities Construction Program
- Program and Administrative Support

Priority Programs - Key Performance Indicators

(Additional performance information is available on the web at http://omb.alaska.gov/results.)

FY10 Current Capacity (in thousands)

Funding				Positions		
GF Funds	Federal Funds	Other Funds	Total Funds	Full Time	Part Time	Non Perm
$241,662.4	$4,158.2	$296,571.2	$542,391.8	3,207	439	220

Maintenance & Operations of State Transportation Systems

Important to the safety of public use of the state's transportation systems; supports economic development in terms of travel industry, general public, and commercial vehicle transportation, etc.

FY10 Current Capacity (in thousands)

Funding				Positions		
GF Funds	Federal Funds	Other Funds	Total Funds	Full Time	Part Time	Non Perm
$233,143.0	$4,158.2	$168,532.6	$405,833.8	2,160	217	129

Key indicator from: Department of Transportation/Public Facilities

Target: Reduce highway fatality rate by 2%.

Status: In 2008 Alaska experienced 1.29 traffic fatalities per 100 million VMT, a decrease of 18.87% from 2007, and compared to the national 2008 average of 1.27.

Fatality Rate per 100 million miles traveled

Year	YTD Total
2008	1.29 -18.87%
2007	1.59 +6.71%
2006	1.49 +2.76%
2005	1.45 -28.22%
2004	2.02 +2.02%
2003	1.98 +8.79%
2002	1.82 -3.7%
2001	1.89 -17.83%
2000	2.30 +32.18%
1999	1.74 +12.26%
1998	1.55

Methodology: Fatality Analysis Reporting System Encyclopedia (fars)

Analysis of results and challenges: The U.S. national fatality rate decreased annually between 1994 and 2004, from 1.73 fatalities per 100 million vehicle miles traveled (VMT) in 1994, to 1.44 fatalities/100 million VMT in 2004, before again dropping to 1.27 fatalities per 100 million VMT in 2008.

Alaska typically experiences more crashes in the winter, with long periods of darkness and poor driving conditions. However, there are more severe crashes, including fatalities, in the summertime, where long periods of daylight occur and there is increased long distance driving. For the past two years, with increased communication technology, mainly cell phones, distracted driving is a growing concern among traffic safety officials. Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. Crash types resulting in the greatest number of fatalities include run-off-road, head-on, and intersection crashes.

In 2006 there were 74 fatalities and 11,728 total crashes and in 2007 there were 82 fatalities and 10,578 total crashes. In 2008, there were 62 fatalities (total crashes not yet available). In order to reduce these numbers, the agency approaches the issue through statewide outreach programs, highway safety improvement projects, and federally funded highway safety grant projects.

The Department is able to propose and support legislative changes through the Governor's Office and provide grant funds for special trooper and local law enforcement activities. Otherwise motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes, and the number of troopers and police officers employed to enforce these laws are beyond the control of the program.

Key indicator from: Department of Transportation/Public Facilities

Target: 5% reduction in annual injury rate of department employees.

Status: The work-related injury rate of department employees decreased from 4.7 in 2007 to 3.2 in 2008, a reduction of 31.9%.

Number of Work-related Injuries/Injury Rate per 100 Employees

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Injury Rate	% Change
2007	32	39	30	60	161	4.7	-39%
2006	65	36	49	53	203	7.7	83%
2005	55	30	26	33	144	4.2	4.5%
2004	42	37	38	30	147	4.4	

Methodology: Calendar year.
12/11/08 - 2008 Data is not available at this time

Analysis of results and challenges: The Department of Transportation and Public Facilities employs an average of 3,200 employees during the year. The challenges for this Department are the inhospitable weather and terrain that employees work in and some employees working alone in areas. Other challenges include the diversity of jobs: maintenance and operations, construction, aviation, and marine operations where each has their own set of work practices. Each area is measured nationally under separate North American Index Coding System (NAICS) criteria. Because of the difference, it is important that all aspects of safety and health are managed and monitored to reduce risk and thus lower our Incidence Rate.

To achieve the desired results all employees need to be trained and progress monitored to ensure this goal is met. Department safety professionals: ensure that training, facility inspection, and advice and consultation are provided to all employees to help mitigate/abate hazards, thus reducing injuries and illnesses.

Key indicator from: Fairbanks International Airport

Target: Reduce occupational injury and illness incidence rate to less than the national rate for airports.

Status: The Fairbanks International Airport's occupational injury and illness incidence rate increased from 12.1 in 2007 to 15.3 in 2008, which is above the national rate of 9.9.

FAI annual incidence rate

Year	YTD Total	Nat'l Rate
2008	15.3	9.9
2007	12.1	9.9
2006	15.1	9.9
2005	6.4	9.4
2004	15.8	10.1
2003	7.93	11.8
0	0	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Ensuring the safety of the airport's workforce helps keep it running year around - and protects the traveling public. To stay safe, employee training is provided and a safety-conscious attitude is encouraged when getting the job done. The success of this measure is reviewed annually by comparing the FAI Incidence Rate (the number of injuries and illnesses per 100 full time equivalent workers) to the national incidence rate for airports of similar size, using a standard U.S. Department of Labor formula and the FAI injury log. The Airport's environmental and OSHA staff has been at half strength for over a year due to budget constraints. This makes it difficult to maintain a rigorous employee safety program.

Key indicator from: Ted Stevens Anchorage International Airport

Target: Reduce the rate of public injuries and incidents per enplaned passenger.

Status: The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008.

Total number and rate of public injuries and incidents per 100,000 enplaned passengers.

Fiscal Year	Total #	Rate	Total Enplaned Passenger
FY 2008	30	1.2%	2,562,276
FY 2007	41	1.7%	2,429,480
FY 2006	87	3.6%	2,408,171
FY 2005	45	1.9%	2,392,920
FY 2004	58	2.6%	2,250,680

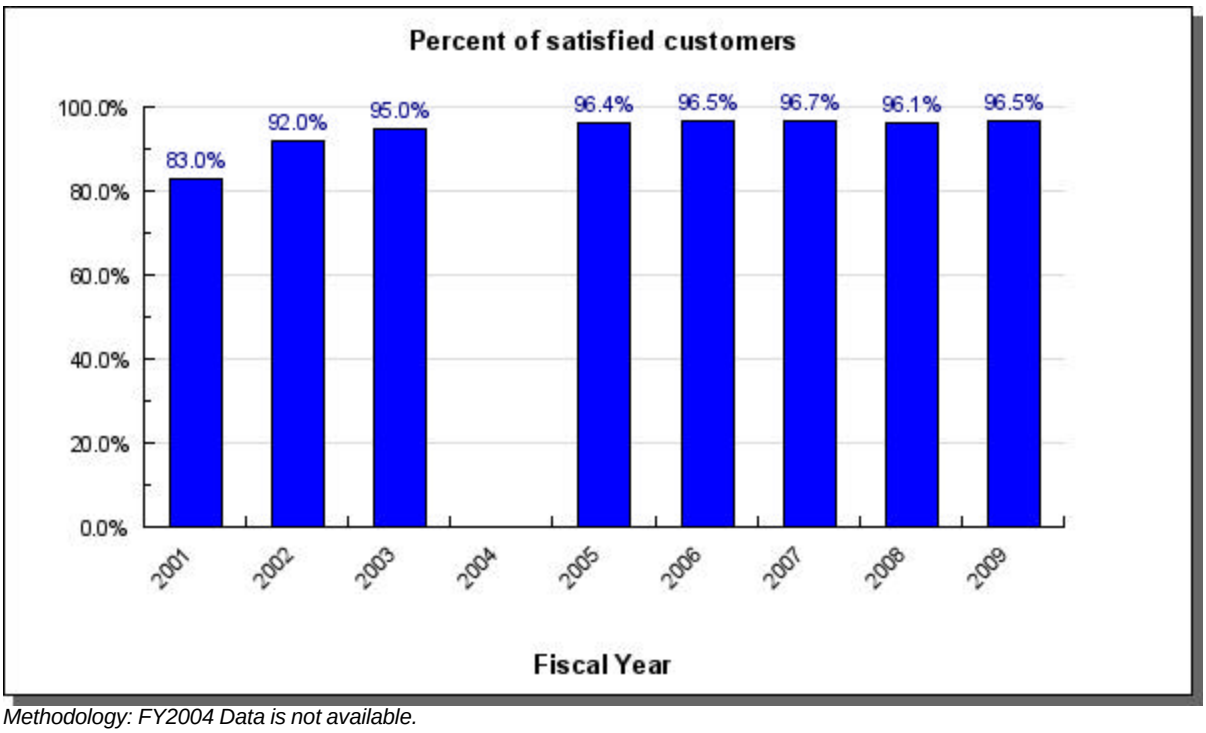
Methodology: Data is reported on a fiscal year basis.

Analysis of results and challenges: Safety and security of the traveling public is the number one priority at the airport. Through investigations incident causes and locations are determined and corrective action is taken. Also, prevention maintenance such as sanding/salting roads and walkways is a constant winter activity at the airport. Injuries are reported through dispatch operations, and figures include incidents where someone files a claim.

Key indicator from: Marine Highway System

Target: Meet or exceed 95% satisfied customers with Marine Highway System reliability, convenience and efficiency.

Status: Customer satisfaction with the Marine Highway System has stayed strong at 96.5% for the 5th year in a row, with a high percentage of respondents giving an excellent rating.



Methodology: FY2004 Data is not available.

Analysis of results and challenges: Independent surveys are conducted onboard Alaska Marine Highway System vessels at various points throughout the summer season. Passengers are asked to rate a variety of aspects relative to their experience. The survey data is summarized and the results are presented to management.

Alaska Marine Highway ensures a high degree of customer satisfaction through the development of a culture that cares about all passengers. Every section works to instill a high degree of responsibility to their staff to take care of our passengers.

We also credit our success to training. We have provided joint training at the “Senior Officers Meeting” in the areas of human resources, customer service, communication, information technology, procurement and interpersonal relationships. Training leads to more knowledgeable, confident employees; which in turn, transfers to great service to

our passengers.

The Alaska Marine Highway System strives to improve the customer experience. We continue to look for new, better or different ways to improve the overall satisfaction of our passengers.

Key indicator from: Department of Transportation/Public Facilities

Target: Improvement in customer satisfaction with department services.

Status: Customer satisfaction in transportation services in 2008 compared to 2005 has remained constant at 80%.

Customer Satisfaction (very satisfied and somewhat satisfied)

Year	YTD Total
2008	79.9%
2005	80.3%

Analysis of results and challenges: In January 2008, the department contracted with a private firm to conduct a survey to find out how the department does providing transportation services in Alaska, including roads, airports and ferry service. 1,200 people across the state participated in this survey. Even though the department has done very well, resources are being directed to mitigate those problem areas identified in the survey (e.g., congestion relief, road smoothness, durable materials and rut repair). Areas of highest strength included directional signs, warning signs, road design, brush cutting and guardrails. This measure will continue to gauge the department's success in addressing the survey issues. The department services satisfaction survey is conducted every other year.

The following areas within the department provide ongoing customer satisfaction information related to providing road, airport and ferry transportation services: Highways and Aviation, Ted Stevens Anchorage International Airport, Fairbanks International Airport, and the Alaska Marine Highway System.

Key indicator from: Department of Transportation/Public Facilities

Target: Achieve 80% satisfaction of government sector customers with department services.

Status: Government sector customer satisfaction has remained high at 94% for state equipment fleet and increased from 83% to 84% for facilities between FY2008 and FY2009.

Government sector customer satisfaction

Fiscal Year	State Equipment Fleet	Facilities
FY 2009	94%	84%
FY 2008	94%	83%
FY 2007	94%	88%
FY 2006	94%	83%
FY 2005	96%	85%

Methodology: Measured on a state fiscal year basis.

Analysis of results and challenges: The department will periodically conduct surveys of the government sector to identify problem areas within the transportation and facilities systems. The department will then direct resources to mitigate those problem areas identified in the surveys. This measure will gauge the department's success in addressing the survey issues.

Surveys have been conducted of State Equipment Fleet and Facilities users that include government sector customers. Results of those surveys indicated a 94% and 84%, respectively, satisfaction rating for FY2009.

Key indicator from: Aviation

Target: Increase revenue collected at rural airports by 5% over prior year.

Status: Rural airport revenues collected in FY2009 exceeded the target of 5% and increased by 6.3% over the prior year.

Fiscal Year	Revenue	% Change
FY 2009	$3,897.7	6.30%
FY 2008	$3,666.6	-1.84%
FY 2007	$3,735.2	+12.96%
FY 2006	$3,306.7	-1.46%
FY 2005	$3,355.6	

Analysis of results and challenges: Statewide Aviation has been able to exceed the targeted revenues for FY2009 while the aviation industry in our state is experiencing an economic downturn. We strive to meet our goal by responding to land-use inquiries promptly, processing applications quickly, creating a web-based application process, improving collection methods and pursing revenue opportunities.

In addition, the leasing section has been at full staffing for the first time in a number of years. A market survey indicated many rural land lease rental rates are well below market. Over the next five years, statewide leasing will gradually increase rural airport land lease rental rates in order to help offset the rising costs of maintenance, management and operating costs of the rural airports and meet the Federal Aviation Administration (FAA) requirements. It is important to note that the implementation of the rate increases at the rural airports will be phased in gradually over several years providing airport businesses the opportunity to plan ahead in consideration with the aviation business industry. Title 17 regulations were finalized and approved in 2009.

The department received $2 million in the FY06 capital budget that was used to develop revenue-producing lease lots at rural airports. These activities included clearing, excavation, gravel fill, renovation of State-owned buildings, constructing road access, access improvements, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has taken place include Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. With the legislature approval of additional funding, future projects will be undertaken to improve lands on rural airports for tiedowns, private and commercial development, and increase revenue opportunities. The previous developed lots were leased immediately after completion, thereby increasing income for airport operations; as well as economic development within that community.

Measurement Standards / Commercial Vehicle Enforcement

Reduce risk of accidents or road damage from unsafe commercial vehicles and/or loads.

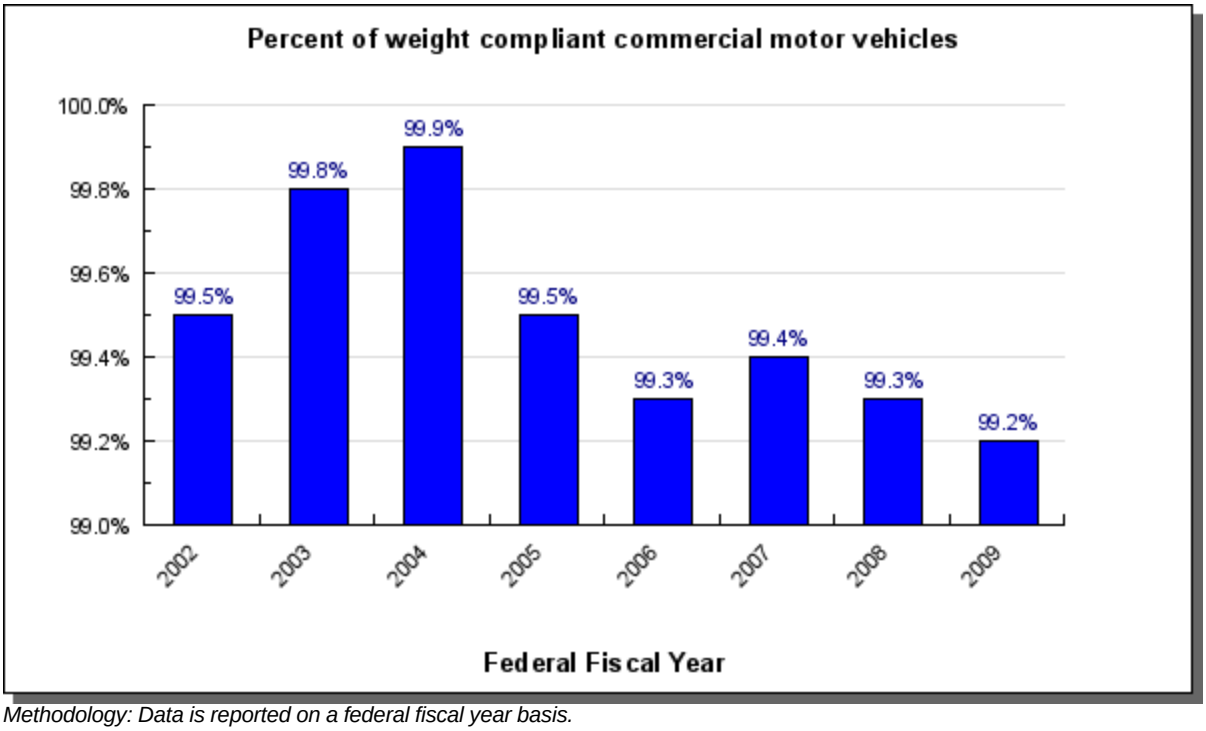
FY10 Current Capacity (in thousands)

Funding				Positions		
GF Funds	Federal Funds	Other Funds	Total Funds	Full Time	Part Time	Non Perm
$1,944.0	$0.0	$4,914.2	$6,858.2	74	0	0

Key indicator from: Measurement Standards & Commercial Vehicle Enforcement

Target: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites.

Status: 99.2% of the commercial motor vehicles that were inspected in 2009 were weight compliant.



Methodology: Data is reported on a federal fiscal year basis.

Analysis of results and challenges: Division inspection efforts focus on maintaining the high level of compliance at weigh stations and improving compliance at the roadside inspection locations. Weight compliant commercial motor vehicles do not contribute to premature deterioration of Alaska's roads and bridges.

The department continues to place emphasis on inspections through expanded mobile enforcement coverage, authorized traffic stops by selected and trained Commercial Vehicle Enforcement Officers, and conducting joint operations with the Alaska State Troopers and local police departments. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) does not interact with privately owned vehicles or their drivers; however the division is authorized by the Federal Motor Carrier Safety Administration (FMCSA) to use up to 5% of the Motor Carrier Safety Assistance Program (MCSAP) budget to fund other agencies to assist in these mandated efforts. MS&CVE routinely enters into contracts with local law enforcement agencies throughout the State to supplement enforcement efforts and to increase and encourage safe operations of commercial vehicles. Additionally this past year, MS&CVE funded the Alaska State Troopers to enhance enforcement efforts on unsafe practices involving CMVs on the Elliot and Dalton Highway (Haul Road), from Fairbanks to the end of the road.

Key indicator from: Measurement Standards & Commercial Vehicle Enforcement

Target: Reduce commercial motor vehicle fatalities to below 5 year average.

Status: Fatalities resulting from accidents involving commercial motor vehicles decreased by 28.57% from 7 in 2007 to 5 in 2008, which is less than the 5 year average of 7.2 fatalities.

Number of commercial motor vehicle fatalities

Year	YTD Total	% Change
2008	5	-28.57%
2007	7	75.00%
2006	4	-20.00%
2005	5	-66.67%
2004	15	200.00%
2003	5	-37.50%

Methodology: Target is to have fewer fatalities than the average of the five prior years.

Five-year average obtained from SafetyNet.

Data is reported on a calendar year basis.

Analysis of results and challenges: Nationwide, in 2008, 4,341 people died in crashes involving a large truck, compared to 4,808 in 2007. While significant progress is being made toward meeting the goal of saving lives by preventing truck and bus crashes, much more needs to be done. Violations add potential risk. Risk is defined as the likelihood that a violation would be a contributing factor to a crash or hazardous materials release or exposure.

The challenge is to distinguish among violations that contribute to a significant, immediate risk of a crash or hazardous materials incident; violations that pose less significant risks; and violations that pose little or no risk. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) will continue working with the Alaska State Troopers and police departments to target unsafe drivers. Department enforcement activities will be targeted to those areas where there is an immediate risk of crashes or hazardous material incidents.

Transportation & Facilities Construction Program

Provides the planning and management of construction projects across the department. This includes major repair and rehabilitation of all transportation modes, and state owned facilities, operated and maintained by the State of Alaska.

FY10 Current Capacity (in thousands)

Funding				Positions		
GF Funds	Federal Funds	Other Funds	Total Funds	Full Time	Part Time	Non Perm
$6,575.4	$0.0	$123,124.4	$129,699.8	973	222	91

Key indicator from: Design and Construction

Target: Reduce the percentage difference between bid and final contractor payments to 8%.

Status: The percentage difference between bid and final contractor payments increased to 12% in 2009. By using the last three fiscal years for source data, the department has established a three year average of about 10% that is still short of the 8% goal.

Difference between contractor bids and final contractor payments

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	11%	15%	7%	12%
FFY 2008	10%	10%	1%	9%
FFY 2007	6%	17%	5%	9%
FFY 2006	12%	11%	5%	11%
FFY 2005	15%	12%	6%	13%
FFY 2004	14%	29%	9%	18%

Analysis of results and challenges: Several large construction projects can contribute to a higher percentage difference in a year. Issues driving those changes could be availability of federal funds, additional work requested by the federal granting agency, or unknown site conditions that became evident during construction that require additional excavated materials or a different design.

Administration and Support Results Delivery Unit

Mission

Provide executive leadership, coordination with other governmental agencies and assurance of program management within legal guidelines.

Core Services

- This RDU contains the leadership that ensures the department meets its statutory responsibilities of the planning, design, construction, maintenance, and operations of transportation facilities and buildings. We strive to achieve a balance between planned growth in the intermodal transportation system and the effective management of maintenance and operations of the state's existing infrastructure.
- The Contracting, Procurement and Appeals Section develops, implements, and maintains policies, procedures, and standards that assure all transportation modes and regions receive responsive and consistent guidance, direction and training in administering construction and non-construction procurements and contracts.
- Internal Review is an independent section that reports directly to the Commissioner. This section is an extension of the management function that identifies problems and recommends actions that can correct those problems. It provides a measurement of how well the Department is meeting its statutory requirements and achieving its objectives.
- Equal Employment and Civil Rights oversees three affirmative action programs, Disadvantaged Business Enterprise (DBE), External Equal Employment Opportunity (ExEEO), and On-the-Job Training (OJT) which apply to contractors and subcontractors working on USDOT-assisted projects. It also oversees two non-discrimination programs (Title VI of the Civil Rights Act of 1964 and Americans with Disabilities Act of 1990) which ensure equal treatment by the department during all phases of its operations.
- The Transportation Management and Security Section coordinates operations, including fleet management, highway and aviation maintenance, safety, security, and provides oversight of those areas for department management. The section also coordinates major maintenance projects and determines priority of statewide maintenance projects.

End Result	Strategies to Achieve End Result
A: Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs. Target #1: Ensure that the number of contractor's non-compliance items is no more than 1 per quarter. Status #1: In 2008 there was one occurrence of non-compliance with equal employment provisions by project contractors or a decrease of 67% from the prior year.	**A1: To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.** Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15% within 5 years. Status #1: The number of construction contractors reviewed for compliance with federal equal opportunity regulations increased in FY2008 by 12.5% over the prior year. This brought the number of reviews up to 9. Target #2: Increase the number of on-the- job (OJT) trainees per highway project by 5% per fiscal year. Status #2: In 2008 the number of on-the-job trainees on highway projects decreased by 31% from the prior year.
End Result	**Strategies to Achieve End Result**
B: Maximize federal design and construction funding and compliance with federal requirements.	**B1: Prepare and issue timely audit reports.**

Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies. Status #1: The difference between proposed and audited overhead rates for consulting engineering firms and utility companies increased by .9% between 2008 and 2009, which is below the target of 5%.	Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits. Status #1: Reduced the number of days between the start of fieldwork and actual audit report issuance by 51% between 2003 and 2009.
End Result	**Strategies to Achieve End Result**
C: Carry out safe operations. Target #1: Reduce employee lost time due to work-related injuries below the national average. Status #1: The national average is 5.9 injuries per hundred employees and the department total is 3.2.	**C1: Improve workplace safety.** Target #1: Receive zero Occupational Safety and Health Administration (OSHA) citations related to state and federal safety codes. Status #1: Three OSHA safety violations were issued for department facilities in 2007.

Performance Detail

A: Result - Elimination and prevention of discrimination based on race, religion, gender, age, marital status, ability or national origin in federally assisted programs.

Target #1: Ensure that the number of contractor's non-compliance items is no more than 1 per quarter.
Status #1: In 2008 there was one occurrence of non-compliance with equal employment provisions by project contractors or a decrease of 67% from the prior year.

Number of occurrences of contractor non-compliance items

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2008	0	0	1	0	1
FY 2007	1	0	2	0	3
FY 2006	0	0	2	0	2
FY 2005	0	1	0	2	3
FY 2004	0	3	1	0	4

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. This is a state fiscal year measurement. Reviews are becoming consistent and contractor compliance routine. We continue to seek out new contractors for review, but the number of new contractors bidding on department work is slowly dwindling to the point there is generally only one or two prime bidders on our Southeast construction contracts. It appears that the slowing pace of contracted construction, higher operating costs and limited number of asphalt batch plants in Southeast has contributed to the reducing number of contractors.

A1: Strategy - To promote equal opportunity compliance in employment and contracting with disadvantaged business enterprises in Federal-aid highway contracts.

Target #1: Increase the number of highway construction contractors reviewed for compliance with federal equal opportunity regulations by 15% within 5 years.
Status #1: The number of construction contractors reviewed for compliance with federal equal opportunity regulations increased in FY2008 by 12.5% over the prior year. This brought the number of reviews up to 9.

Construction Contractor Compliance Reviews Completed

Fiscal Year	YTD Total	Variance
FY 2008	9	12.5%
FY 2007	8	-33.3%
FY 2006	12	20%
FY 2005	10	-9.09%
FY 2004	11	-26.67%
FY 2003	15	15.38%
FY 2002	13	-7.14%
FY 2001	14	0

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance for highway projects for Alaska. For the 2006 construction season we were fully staffed for contractor compliance reviews. In 2007 staffing was down by 50% and the number of reviews was reduced. Another contributing factor in recent years has been the erroneous information received on project status – confirmation is received that a contract is active during the winter months and a review is scheduled, only to find out the project is complete and no opportunity for a review exists. For example in the 2008 construction season an initial list of 14 projects/contractors to review turned out to be only seven active projects despite the prior confirmation that the projects were open.
We do not anticipate any staffing issues in FFY2009 and we began work this Fall to get a valid project/contractor review list together. We are currently looking at 18 different projects for contractor compliance reviews.

Target #2: Increase the number of on-the- job (OJT) trainees per highway project by 5% per fiscal year.
Status #2: In 2008 the number of on-the-job trainees on highway projects decreased by 31% from the prior year.

Number of OJT Trainees Participating in Highway Projects

Fiscal Year	YTD Total	% change
FY 2008	33	-31%
FY 2007	48	140%
FY 2006	20	-41%
FY 2005	34	31%
FY 2004	26	-59%
FY 2003	63	

Analysis of results and challenges: To receive federal highway funding assistance, the department must annually assure and provide proof to the Federal Highway Administration (FHWA) that it meets federal equal employment provisions on its highway projects. The department's assurance, and 49 CFR 21, requires the department to administer a highway construction program that is free of discrimination based on race, gender, religion, age, disability, color, or national origin. 23 CFR 200 and 23 CFR 230.111 and .401 through .415 requires the department to regularly review contractors for equal employment, affirmative action and training in their employment practices. Failure to conduct these reviews will result in a finding of noncompliance by FHWA and the loss of federal assistance

for highway projects for Alaska. The dwindling construction workforce in Alaska and nationally, makes it imperative that some type of effort is made to provide incentives to contractors to develop a younger workforce. The OJT program is directed towards women and minorities that are under-represented in the workforce. The OJT program accomplishes both the affirmative action goals as well as the workforce development goals.

At the beginning of each calendar year training goals are set by all three regions for projects. For 2007 we achieved 48 trainees for the year. During the fiscal year 2008 we achieved 33 trainees. We began this measure with the idea that between the goals set by our regional staff and the exodus from the construction workforce due to retirements, there would be an increase in trainees. While we saw a significant increase in 2007, the decrease in 2008 appears to be related to the decreased federal aid available for highway projects. For fiscal year 2007 we reviewed the methodology used by regional staff to set OJT goals to ensure it follows federal guidance and is consistent statewide. Based on this review we decided to regain control of the process by having the Civil Rights Office develop a new methodology and set the OJT goals. We have also decided to track achievement based on the OJT trainees per federal aid project, and abandon the simple total tracking we are currently using. This allows us to see if the increase is occurring on highway projects, and not based on the fluctuation of federal aid highway funds.

We expect to achieve a 5% increase in the OJT program by rigorously implementing our new goal setting methodology for highway construction and account for the growth per federal aid project. We have engaged the regional compliance officers and training trusts to more accurately set goals and to gage the market availability for minority and women apprentices.

B: Result - Maximize federal design and construction funding and compliance with federal requirements.

Target #1: 5% reduction in difference between rates proposed by firms and audited overhead rates for consulting engineering firms and utility companies.
Status #1: The difference between proposed and audited overhead rates for consulting engineering firms and utility companies increased by .9% between 2008 and 2009, which is below the target of 5%.

Percentage difference between proposed rates by firms and final audited overhead rates for consultants and utility companies by quarter by fiscal year.

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Percent Change
FY 2009	7.1%	1.7%	12.5%	8.9%	6.9%	.9%
FY 2008	7.3%	3.0%	7.8%	5.6%	6.0%	.2%
FY 2007	3.4%	1.0%	7.5%	5.2%	5.8%	-2.8%
FY 2006	7.0%	9.4%	4.8%	14.7%	8.6%	1.2%
FY 2005	8.4%	10.1%	-1.1%	6.7%	7.4%	1.8%
FY 2004	2.5%	9.3%	7.1%	5.6%	5.6%	

Methodology: YTD Total represents the annual average.

Analysis of results and challenges: Data is being collected and differences are being tracked between proposed and audited overhead rates for consultants and utility companies. As the proposed rates become closer to audited rates, it is an indication the companies have a better understanding of federal eligibility requirements. Also, they have eliminated ineligible costs prior to audit analysis which will assist in reducing the time required to perform audits and ensure maximization of federal receipts for design and construction.

B1: Strategy - Prepare and issue timely audit reports.

Target #1: Reduce by 5% the number of days between start of field work and issuance of all overhead rate audits.
Status #1: Reduced the number of days between the start of fieldwork and actual audit report issuance by 51% between 2003 and 2009.

Average days from start of audit field work to issuance of audit report by quarter by fiscal year

Fiscal Year	YTD Total	% Change
FY 2009	19.3	+2.1%
FY 2008	18.9	+.53%
FY 2007	18.8	+1.08%
FY 2006	18.6	-24.08%
FY 2005	24.5	-5.77%
FY 2004	26	-33.33%
FY 2003	39	0

Analysis of results and challenges: Data is collected to identify the average number of days between the start of audit field work and issuance of an audit report. The sooner audits are completed, the sooner the contracts with audited overhead rates can be put in place or amended with current rate information. The audits are also important as they cover the acceptability of the firms' accounting system and attests that the costs included in their overhead rates comply with all federal requirements. Charges for ongoing work are also spot checked to ensure billings are accurate and meet federal requirements. During FY2009 Internal Review received 97 requests for overhead rate audits and completed all of them. The average time to conduct an audit has stayed consistent with the prior year and is an indication that audit reports are issued timely.

C: Result - Carry out safe operations.

Target #1: Reduce employee lost time due to work-related injuries below the national average.
Status #1: The national average is 5.9 injuries per hundred employees and the department total is 3.2.

Analysis of results and challenges: The challenges for this target are getting people back to work in the minimal amount of time without aggravating the existing injury. To assist the employee, the Department may locate jobs the injured worker could perform to reduce lost time. This is a challenge due to policies and the perceptions of workers to the injured individual.

The results would be getting the injured employee back to work earlier and lowering the lost time, and also lowering worker compensation payouts by the State.

C1: Strategy - Improve workplace safety.

Target #1: Receive zero Occupational Safety and Health Administration (OSHA) citations related to state and federal safety codes.
Status #1: Three OSHA safety violations were issued for department facilities in 2007.

Safety Violations

Year	YTD Total
2007	3

Methodology: This measure is reported on a calendar year basis from number of OSHA citations per year.

Analysis of results and challenges: Because this department is geographically dispersed around the State, getting to each of the workplaces, camps, or stations requires managed and monitored logistics. Citations normally come in one of three ways; a fatality, an employee complaint, or a scheduled inspection by Alaska Occupational Safety and Health. Abating/mitigating the first two comes through training, education, and monitoring all employees, which should reduce our being listed for scheduled inspections.

The results of not having citations issued would be an indication that our training, inspections, advice and consultations are working.

Administrative Services Results Delivery Unit

Mission

Provide administrative infrastructure to enable the department to meet its mission.

Core Services

- Centralized services in the areas of budget, finance, procurement, information technology standards and policies, cost allocation plans, collection of federal and other revenue, and web site development and maintenance.
- Development of department-wide policies and procedures.
- Oversight of the Highway Working Capital Fund.
- Liaison between the Department of Transportation and Public Facilities (DOT&PF) and the Department of Administration for financial, personnel, payroll, procurement, web page development, and information technology directives.
- Liaison with the Office of Management and Budget and the Legislature relating to operating and capital budget issues.
- Plan, design, implement and maintain information technologies supporting the department's mission.
- Procurement of commodities and services for Southeast Region, Alaska Marine Highway System (AMHS), and Headquarters operations. Conduct commodity procurement activities that are of a statewide nature.

End Result	Strategies to Achieve End Result
A: Increase efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Status #1: There was a 9% decrease in the department's administrative overhead rate between 2009 and 2010. Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5. Status #2: The division's customers have not yet been surveyed to determine their level of satisfaction. Complaints seem to be at a minimum.	**A1: Improve payment processing to contractors or vendors.** Target #1: Reduce the number of vendor payments that exceed 30 days by 5%. Status #1: The number of vendor payments that exceeded 30 days to process increased by 2% between 2008 and 2009 bringing the number of those payments to 27,513. Target #2: Reduce duplicate payments by 10%. Status #2: The number of duplicate payments decreased by 27% between 2008 and 2009.

Performance Detail

A: Result - Increase efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Status #1: There was a 9% decrease in the department's administrative overhead rate between 2009 and 2010.

Indirect Overhead Cost Rate

Fiscal Year	YTD Total	% Change
FY 2010	4.24%	-9%
FY 2009	4.66%	-4.5%
FY 2008	4.88%	-8%
FY 2007	5.28%	+23%
FY 2006	4.30%	+21%
FY 2005	3.55%	-36%
FY 2004	5.50%	0%
FY 2003	5.50%	

Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY10 vary between 2% for harbor projects to 4.88% for state highway projects. The federal highway project rate is used for year to year comparisons. FY10 rates were developed based on FY08 actual expenditure data.

The 2009 reduced rate reflects a slight increase in direct charges to Federal Highway Administration funded capital projects.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether the department has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

Target #2: Increase to 80% the respondents (customers) that rate the quality of the division's service, advice and knowledge transfer at 4 or better on a scale of 1 to 5.
Status #2: The division's customers have not yet been surveyed to determine their level of satisfaction. Complaints seem to be at a minimum.

Percent of Satisfied Customers

Fiscal Year	YTD Total
FY 2008	not available

Analysis of results and challenges: This measure will require the division to develop and circulate a survey to help determine whether our internal and external customers' expectations are being met in service (quality and response time), advice (explore solution) and knowledge transfer (communication and training). This increased awareness and interaction should lead to improved efficiencies in the areas of budget development and transfer of knowledge, financial reporting and solutions, vendor/customer payment timeliness, information systems interaction and result, procurement/contract advice, web development and management assistance and advice. Survey responses will provide manager's feedback that may identify problem areas, which if addressed may improve the efficiency of the department. We anticipate the survey will be done annually.

A1: Strategy - Improve payment processing to contractors or vendors.

Target #1: Reduce the number of vendor payments that exceed 30 days by 5%.
Status #1: The number of vendor payments that exceeded 30 days to process increased by 2% between 2008 and 2009 bringing the number of those payments to 27,513.

The number of vendor payments that exceed 30 days from invoice date

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	% Change
FY 2009	7,275	8,827	5,276	6,135	27,513	+2.2%
FY 2008	8,524	6,764	5,832	5,803	26,923	-14.8%
FY 2007	11,834	8,291	5,455	6,010	31,590	+28%
FY 2006	5,539	6,142	5,740	5,323	22,744	-24%
FY 2005	7,785	9,478	6,740	5,991	29,994	+6%
FY 2004	7,948	7,414	6,873	6,115	28,350	

Analysis of results and challenges: AS 37.05.285 states, "Payment for purchases of goods or services provided a state agency shall be made by a required date that is 30 days after receipt of a proper billing for the amount of the payment due, if a date on which payment is due is not established by contract and if the billing contains or is accompanied by documents required by the contract or purchase order." The fiscal offices processed an average of 13,918 vendor payments per month during FY2009. 84% of vendor payments are processed within the statutory timeframe. The complexities of the invoices being processed vary from basic monthly maintenance contracts to construction related progress payments. The ability to make payments on contracts requires appropriate sign-offs by project engineers and managers indicating satisfactory completion of tasks. Additionally, invoices must be approved regarding adequate budgetary authority. Payment delays can be caused by the many hand-offs that occur, receiving approvals, mail time between offices, errors in the invoice, errors in account coding, and inadequate funding levels.

Target #2: Reduce duplicate payments by 10%.
Status #2: The number of duplicate payments decreased by 27% between 2008 and 2009.

Duplicate Payments

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	% change
FY 2009	28	20	22	19	89	-27%
FY 2008	22	44	35	21	122	-7.6%
FY 2007	46	34	22	30	132	-28%
FY 2006	54	41	56	33	184	+2%
FY 2005	54	36	54	36	180	

Analysis of results and challenges: Duplicate payments require a great deal of department resources for monitoring, payment collection, and even legal actions to recover reimbursements. Activities to avoid future duplicate payments include throwing away duplicate copies of invoices when received in the mail, keeping payments current so that vendors don't send duplicate invoices as a method of requesting payment, monitoring erred documents to ensure that payments don't wait for funding, and checking to see if an invoice is already paid before making payment.

Aviation Results Delivery Unit

Mission

Provide airport system vision, planning, and infrastructure for the safe movement of people and goods; and provide relevant and reliable financial information to the international airport system.

Core Services

- Airport Improvement Program (AIP) Five-Year Funding Plan development and coordination.
- Airport planning, design, construction, and operation coordination, as well as technical assistance.
- Development and management of the State Aviation System Plan and related continuous planning processes.
- Conduct Federal Aviation Administration (FAA) Airport Inspections (5010 database maintenance).
- Ensure appropriate operating and capital accounting and financial policies and procedures are used at the international airports.
- Provide uniform fee structures for use of the airport facilities and services as required under federal grant assurances.
- Property management services for the use of lands, facilities, and buildings at state rural airports.
- Promote, facilitate and implement aviation safety improvements through the adoption of technology and mapping datasets for aviation simulators, in coordination with the Medallion Foundation, FAA and the National Aeronautics and Space Administration (NASA).

End Result	Strategies to Achieve End Result
A: Increase revenue generation at statewide rural airports. Target #1: Increase revenue collected at rural airports by 5% over prior year. Status #1: Rural airport revenues collected in FY2009 exceeded the target of 5% and increased by 6.3% over the prior year.	**A1: Process rural airport land-use applications more expeditiously.** Target #1: Reduce the number of days to process land use applications. Status #1: The average number of days to process land use applications remained at 102 days between 2008 and 2009.

Performance Detail

A: Result - Increase revenue generation at statewide rural airports.

Target #1: Increase revenue collected at rural airports by 5% over prior year.
Status #1: Rural airport revenues collected in FY2009 exceeded the target of 5% and increased by 6.3% over the prior year.

Fiscal Year	Revenue	% Change
FY 2009	$3,897.7	6.30%
FY 2008	$3,666.6	-1.84%
FY 2007	$3,735.2	+12.96%
FY 2006	$3,306.7	-1.46%
FY 2005	$3,355.6	

Analysis of results and challenges: Statewide Aviation has been able to exceed the targeted revenues for FY2009 while the aviation industry in our state is experiencing an economic downturn. We strive to meet our goal by responding to land-use inquiries promptly, processing applications quickly, creating a web-based application process, improving collection methods and pursing revenue opportunities.

In addition, the leasing section has been at full staffing for the first time in a number of years. A market survey indicated many rural land lease rental rates are well below market. Over the next five years, statewide leasing will gradually increase rural airport land lease rental rates in order to help offset the rising costs of maintenance, management and operating costs of the rural airports and meet the Federal Aviation Administration (FAA) requirements. It is important to note that the implementation of the rate increases at the rural airports will be phased in gradually over several years providing airport businesses the opportunity to plan ahead in consideration with the aviation business industry. Title 17 regulations were finalized and approved in 2009.

The department received $2 million in the FY06 capital budget that was used to develop revenue-producing lease lots at rural airports. These activities included clearing, excavation, gravel fill, renovation of State-owned buildings, constructing road access, access improvements, installing utilities, constructing additional apron space for aircraft tie-downs, and the moving of roads or parking lots. Airports where this development has taken place include Birchwood, Bethel, Deadhorse, Klawock, Willow, Seward, Sitka, and Yakutat. With the legislature approval of additional funding, future projects will be undertaken to improve lands on rural airports for tiedowns, private and commercial development, and increase revenue opportunities. The previous developed lots were leased immediately after completion, thereby increasing income for airport operations; as well as economic development within that community.

A1: Strategy - Process rural airport land-use applications more expeditiously.

Target #1: Reduce the number of days to process land use applications.
Status #1: The average number of days to process land use applications remained at 102 days between 2008 and 2009.

Average Days to Process Land-use Applications

Year	YTD Total
2009	102 0%
2008	102 -22.14%
2007	131 -7.09%
2006	141 +22.61%
2005	115

Analysis of results and challenges: A number of factors impact application processing time, implementation of regulatory changes, retirements and leasing staff levels, number of applications being processed at a time, availability of suitable land, submission of completed application information, and contract processing time with customers.

The on-line leasing program has improved customer contact and services. Allowing the electronic submittal of applications and payments have improved efficiencies and decreased application processing times over the years. In the future, this feature and other efforts are anticipated to maintain or slightly decrease application processing times over current levels.

Design and Construction Results Delivery Unit

Mission

Improve the transportation system in Alaska and protect the health and safety of the people of Alaska by developing transportation and public facilities projects and constructing safe, environmentally sound, reliable and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Design has primary responsibility for a project from its initial funding through the completion of a bid-ready set of plans, specifications for the legal and technical contract terms, and an engineer's estimate for the cost of construction. Design staff prepare geotechnical reports for the project site and materials sources, obtain necessary land interests and environmental clearances and permits, and prepare plans and obtain agreements with utility companies for required relocations.
- Design provides technical support functions to the department, other state and federal agencies, and local governments and the public. Examples include design assistance, traffic speed studies, bridge inspections, materials testing, processing of utility, right-of-way and traffic permits, preparation of environmental documents, a research program, and the Local Technical Assistance Program. The Design and Construction Standards section develops standards that are in use throughout the state.
- The Construction Sections administer construction contracts, provide field inspection and construction oversight, provide quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and report Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- The Contracts staff review construction documents, provide bid packages, advertise and award contracts, prepare certified bid tabulations, and help resolve bidding disputes. This unit also coordinates, solicits, selects, prepares and administers professional services agreements.
- The Project Control Sections coordinate and program project funding; administer state and federal grants; provide engineering management support; prepare and manage data within a management reporting system for capital projects; provide regional network administration and desktop computer support; and process time and equipment charges to projects.
- The Statewide Public Facilities Office oversees all building planning, design and construction related activities and acts as the advocate for department-wide facility needs. This section provides cost estimates and management services necessary to renovate, repair or build new state-owned public facilities.

End Result	Strategies to Achieve End Result
A: Improve department efficiency. Target #1: Maintain the percentage of administrative and engineering costs below 30% of total project costs. Status #1: The percent of administrative and engineering costs compared to total project costs was maintained at 20% in FFY2009, well within the department's target of 30%. Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th. Status #2: 58% of new highway and aviation construction projects were advertised by April 30th, 2009, which is a decrease from the prior year and is still short of the goal of 75%. Target #3: Reduce the percentage difference between	**A1: Reduce design and engineering costs.** Target #1: Maintain design engineering averages at 15% or less of total project costs. Status #1: Design engineering costs were maintained at 8% in 2009 compared to 2008, well within the target range of 15% or less. Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope meetings to 75%. Status #2: The percentage of projects over $1 million that had formal pre-authorization scope meetings decreased from 97% in 2008 to 92% in 2009. **A2: Reduce construction project costs.**

bid and final contractor payments to 8%. Status #3: The percentage difference between bid and final contractor payments increased to 12% in 2009. By using the last three fiscal years for source data, the department has established a three year average of about 10% that is still short of the 8% goal.	Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments. Status #1: Construction engineering costs decreased to 12.6% of total project costs in 2009 from 13.6% in the prior year, still below the goal of 14.5%. **A3: Accelerate project closeouts.** Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as stated in the Project Completion Letter. Status #1: The percentage of construction contracts closed during the fiscal year following project completion increased from 67% in 2008 to 73% in 2009, trending toward the target of 80%.

Performance Detail

A: Result - Improve department efficiency.

Target #1: Maintain the percentage of administrative and engineering costs below 30% of total project costs.
Status #1: The percent of administrative and engineering costs compared to total project costs was maintained at 20% in FFY2009, well within the department's target of 30%.

Percent of administrative and engineering costs to total project costs

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2009	23%	20%	10%	20%
FFY 2008	24%	19%	10%	20%
FFY 2007	22%	24%	26%	24%
FFY 2006	21%	23%	13%	18%
FFY 2005	20%	22%	23%	21%
FFY 2004	21%	26%	23%	22%

Analysis of results and challenges: The aim of this measure is to get more capital dollars into construction or into other related fieldwork by maintaining overhead costs at an acceptable level. This will benefit the private sector and the traveling public. Percentages are calculated by summing up all administrative and engineering costs - i.e., all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments - and dividing those administrative and engineering costs by the total of all project costs.

Target #2: Advertise 75% of new highway and aviation construction project funding by April 30th.
Status #2: 58% of new highway and aviation construction projects were advertised by April 30th, 2009, which is a decrease from the prior year and is still short of the goal of 75%.

Percent of construction contract funding advertised by April 30th

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2009	62%	58%	42%	58%
FFY 2008	60%	46%	95%	61%
FFY 2007	54%	14%	66%	40%
FFY 2006	47%	56%	27%	42%
FFY 2005	31%	42%	51%	38%

Analysis of results and challenges: The purpose of this target is to get projects to construction early enough in the calendar year so as not to lose a full construction season. Ideally advertising should take place in January or February so a contract can be awarded in May.

Issues that have prevented the regions from providing timely contract advertising include difficulties with receiving federal grants and funding, attempting to implement very large, complex projects, a shortage of staff, difficulty with permitting agencies, new regulations and rules from state and federal agencies and unanticipated historic archaeological and hazardous materials issues.

Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Target #3: Reduce the percentage difference between bid and final contractor payments to 8%.
Status #3: The percentage difference between bid and final contractor payments increased to 12% in 2009. By using the last three fiscal years for source data, the department has established a three year average of about 10% that is still short of the 8% goal.

Difference between contractor bids and final contractor payments

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	11%	15%	7%	12%
FFY 2008	10%	10%	1%	9%
FFY 2007	6%	17%	5%	9%
FFY 2006	12%	11%	5%	11%
FFY 2005	15%	12%	6%	13%
FFY 2004	14%	29%	9%	18%

Analysis of results and challenges: Several large construction projects can contribute to a higher percentage difference in a year. Issues driving those changes could be availability of federal funds, additional work requested by the federal granting agency, or unknown site conditions that became evident during construction that require additional excavated materials or a different design.

A1: Strategy - Reduce design and engineering costs.

Target #1: Maintain design engineering averages at 15% or less of total project costs.
Status #1: Design engineering costs were maintained at 8% in 2009 compared to 2008, well within the target range of 15% or less.

Percent of Design Costs to Total Project Costs

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	9%	7%	9%	8%
FFY 2008	9%	7%	8%	8%
FFY 2007	8%	9%	9%	9%
FFY 2006	8%	9%	8%	9%
FFY 2005	7%	8%	9%	8%
FFY 2004	9%	10%	8%	9%

Analysis of results and challenges: Ratios are calculated by summing the final design costs of all highway and aviation construction projects that receive final acceptance in a given state fiscal year, then comparing the total to the total project costs.

To provide design engineering services at 15% of the total project costs is a measure of the department's efficiency in the delivery of bid documents. The increasing complexity of the design process requires more effort than in previous years. Examples include public involvement demands, regulatory agency constraints, utility relocation costs, right-of-way costs, and the higher cost of utilizing consultants.

The results show that Design has been successful holding costs down and has exceeded this target for several years.

Target #2: Improve the percentage of projects that exceed $1 million having formal pre-authorization scope meetings to 75%.
Status #2: The percentage of projects over $1 million that had formal pre-authorization scope meetings decreased from 97% in 2008 to 92% in 2009.

Percent of Projects having Scope Meetings

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	95%	0%	100%	92%
FFY 2008	93%	100%	100%	97%
FFY 2007	90%	11%*	10%	64%
FFY 2006	88%	42%*	100%	77%
FFY 2005	74%	44%*	100%	64%
FFY 2004	47%	0%	50%	37%

Analysis of results and challenges: Ratios are calculated by dividing the number of projects with formal scoping meetings by the total number of projects receiving authority to proceed.

Bringing all of the department's stakeholders together to discuss all aspects of the project prior to authorization leads to more efficient project development. People view scoping of projects as inconvenient. They may have other high, time sensitive priorities, but it is important to the overall project development efficiency to reach a consensus on the project scope.

A2: Strategy - Reduce construction project costs.

Target #1: Maintain construction engineering (CE) costs at 14.5% or less of total contractor payments.
Status #1: Construction engineering costs decreased to 12.6% of total project costs in 2009 from 13.6% in the prior year, still below the goal of 14.5%.

Construction Engineering Expressed as a Percentage of Total Contractor Payments

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	10.2%	15.7%	11.2%	12.6%
FFY 2008	12.3%	14.7%	13.4%	13.6%
FFY 2007	11.5%	10.6%	8.2%	10.1%
FFY 2006	11.8%	11.8%	10.9%	11.8%
FFY 2005	13.0%	11.4%	11.1%	12.3%
FFY 2004	10.2%	11.1%	12.1%	10.6%

Analysis of results and challenges: This measure is determined after a construction project is closed and all construction charges are accounted for. Contract administration costs over the past several years have run at about 14.5%; however, the state's growing capital program is straining department resources and forcing the department to outsource more of its construction engineering (CE) work to other agencies as well as the private sector. Outsourced CE tends to be more expensive, so maintaining this target will be a challenge.

This measure is also a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. This measure will change from year to year based on the type and size of projects completed. Small urban projects may require the same level of oversight, i.e., staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value.

A3: Strategy - Accelerate project closeouts.

Target #1: Close out 80% of construction contracts within the next fiscal year following the project completion date as

stated in the Project Completion Letter.

Status #1: The percentage of construction contracts closed during the fiscal year following project completion increased from 67% in 2008 to 73% in 2009, trending toward the target of 80%.

Percent of Construction Contracts Closed Before End of Next Fiscal Year

Fiscal Year	Central Region	Northern Region	Southeast Region	RDU Total
FFY 2009	39%	90%	70%	73%
FFY 2008	18%	83%	85%	67%
FFY 2007	35%	73%	70%	60%
FFY 2006	33%	76%	73%	57%
FFY 2005	41%	60%	79%	59%
FFY 2004	28%	52%	81%	45%

Analysis of results and challenges: Percentages are calculated by dividing the number of projects completed as stated in the Project Completion Letter, in a given federal fiscal year by the number of projects receiving Final Acceptance, or the contract closure, by the end of the following federal fiscal year.

The burden of closing out a project largely falls on the same people who must prepare for their next construction assignment or who are already actively engaged in other construction projects. Nevertheless, timely closeout of projects is an important cost-savings benefit to the state as the task itself will be done more efficiently and in some cases its completion will permit leftover construction funds to be released to fund other projects.

Central Region continues to explore avenues to close out the backlog of projects to facilitate meeting this measure. One position was added to the Public Facilities branch to focus on closing out building projects. Consultant contracts for construction administration now include clauses enabling other project closeouts to be added to the contract. A revised Policy and Procedure (P&P) which reduces final review requirements on certain projects became effective April 2008.

Fairbanks International Airport Results Delivery Unit

Mission

Provide for the safe movement of people and goods at Fairbanks International Airport (FAI).

Core Services

- Administration including airport planning, marketing, operating and capital budget development, leasing, finance, engineering, environmental and Occupational Safety and Health Administration (OSHA) management, and information technology support.
- Building maintenance, housekeeping, and repair services including the airport terminal and other state-owned or managed buildings, exterior electrical systems for airfield lighting, aircraft and vehicle parking areas.
- Maintenance and repair of paved and unpaved airside and landside surfaces, signage, security fencing/gates, and airport-owned heavy equipment; snow removal and ice control, vegetation and dust control; hazardous materials handling and disposal.
- Airport operations duties including daily inspections and surface friction reports, Notices to Airmen (NOTAM), maintenance of the airport's Federal Aviation Administration (FAA) Certification Manual and Safety Manual, airfield safety training, and assistance to aircraft, tenants and construction project staff on the airfield.
- Aircraft rescue, fire fighting, law enforcement, 24-hour central dispatch radio communications, and required federal/state airport security response capability.

End Result	Strategies to Achieve End Result
A: Ensure safe operations on the airport. Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports. Status #1: The Fairbanks International Airport's occupational injury and illness incidence rate increased from 12.1 in 2007 to 15.3 in 2008, which is above the national rate of 9.9. Target #2: Reduce employee lost time to zero. Status #2: Employee lost hours due to workplace injury decreased to 208 in 2008 from 896 in 2007, a reduction of 77%. Target #3: Reduce public property damage and injuries to zero. Status #3: The number of settled property and injury claims against the Fairbanks International Airport decreased from one in FY2007 to zero in FY2008.	**A1: Maximize the safety and security of the traveling public.** Target #1: Zero major discrepancies on annual Part 139 inspections. Status #1: Fairbanks International Airport had two notices of violation so far in 2009, the same number of notices as 2008. Target #2: Zero environmental Notices of Violation or Non-Compliance Letters. Status #2: The Fairbanks International Airport (FAI) had zero notices of violation or letters of non-compliance for environmental issues in 2008. Target #3: Maintain adequate runway conditions for safe operations. Status #3: There was one closure of Fairbanks International Airport's main runway from January through October of 2009. It was closed for twelve minutes to test braking action during icy conditions. Target #4: Reduce the number of airfield deviations and incursions per year. Status #4: The number of airfield deviations or incursions at Fairbanks International Airport (FAI) in 2009 was seven compared to the 3-year average of 6.33. Target #5: Zero Airport Police and Fire officer response times that do not meet or exceed Code of Federal

	Regulation guidelines. Status #5: Airport Police and Fire officers performed 2,920 law enforcement responses in FY2009, all within federal guidelines. Target #6: Ensure adequate emergency medical response on the airport. Status #6: Provided Emergency Trauma Technician coverage which included over 36 medical emergencies during the year. Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines. Status #7: Provided required coverage in 2008, during which 42 emergency fire responses were made, all meeting federal guidelines.
End Result	**Strategies to Achieve End Result**
B: Decrease revenue gap. Target #1: Decrease the gap between revenues and expenditures. Status #1: The gap between expenditures and revenues increased by 5.1% between FY2008 and FY2009.	**B1: Increase revenue.** Target #1: Increase concession and permit revenues by 5% per year. Status #1: Concession and permit revenues increased by 7.9% between FY2008 and FY2009 at the Fairbanks International Airport. Target #2: Increase land lease revenues by 2% per year. Status #2: Land lease revenues decreased by 1.4% at Fairbanks International Airport between FY2008 and FY2009. Target #3: Increase private investment by 2% per year. Status #3: Private investment in FY2009 dropped by 59% from the five year average because most tenant funded build-out for the new passenger terminal was completed in FY2008. **B2: Maintain or decrease costs.** Target #1: Maintain or decrease operational cost per enplaned passenger per year. Status #1: The operational costs per enplaned passenger increased from 9.52 in 2007 to 9.70 in 2008 at Fairbanks International Airport as compared to the change in the 3-year average of 1.93.
End Result	**Strategies to Achieve End Result**
C: Enhance customer satisfaction. Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking. Status #1: There were no customer complaints logged associated with facility cleanliness or maintenance during FY2009.	**C1: Timely response to all maintenance requests.** Target #1: Respond to all public maintenance requests within three business days. Status #1: The Fairbanks International Airport (FAI) staff responded to all public maintenance requests within three business days throughout FY2009 as they did in FY2008.

	C2: Ensure business friendly leasing and permit process. Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements. Status #1: The Fairbanks International Airport again maintained a 100% customer service satisfaction rating for assistance and processing of land leases, building permits and supplements during FY2009.

Performance Detail

A: Result - Ensure safe operations on the airport.

Target #1: Reduce occupational injury and illness incidence rate to less than the national rate for airports.
Status #1: The Fairbanks International Airport's occupational injury and illness incidence rate increased from 12.1 in 2007 to 15.3 in 2008, which is above the national rate of 9.9.

FAI annual incidence rate

Year	YTD Total	Nat'l Rate
2008	15.3	9.9
2007	12.1	9.9
2006	15.1	9.9
2005	6.4	9.4
2004	15.8	10.1
2003	7.93	11.8
0	0	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Ensuring the safety of the airport's workforce helps keep it running year around - and protects the traveling public. To stay safe, employee training is provided and a safety-conscious attitude is encouraged when getting the job done. The success of this measure is reviewed annually by comparing the FAI Incidence Rate (the number of injuries and illnesses per 100 full time equivalent workers) to the national incidence rate for airports of similar size, using a standard U.S. Department of Labor formula and the FAI injury log. The Airport's environmental and OSHA staff has been at half strength for over a year due to budget constraints. This makes it difficult to maintain a rigorous employee safety program.

Target #2: Reduce employee lost time to zero.
Status #2: Employee lost hours due to workplace injury decreased to 208 in 2008 from 896 in 2007, a reduction of 77%.

Employee lost hours due to workplace injury

Year	YTD Total
2008	208 -76.79%
2007	896 -70.45%
2006	3,032 +311.96%
2005	736 -68.17%
2004	2,312 +160.36%
2003	888

Methodology: Target is 0. Calendar year measure.

Analysis of results and challenges: Employee lost time, similar to an incidence rate, is another measurement of how safe the work environment is and how well the airport is doing to prevent injuries. Fairbanks International Airport (FAI) tracks employee lost time by utilizing the OSHA 300 logs (# days away from work x 8 hours). Efforts are made to keep this number at a minimum by providing employee training and stressing a safety-conscious attitude at all times. The effectiveness of the training is analyzed in part by comparing the current year to past years, focusing in on challenging areas, namely repeat incidences or incidences that result in many lost hours due to injury. In essence, no one tool is good enough to measure employee safety - so FAI uses two.

Target #3: Reduce public property damage and injuries to zero.
Status #3: The number of settled property and injury claims against the Fairbanks International Airport decreased from one in FY2007 to zero in FY2008.

Annual Property Damage and Injury Claims

Fiscal Year	YTD Total
FY 2008	0
FY 2007	1
FY 2006	2
FY 2005	3
FY 2004	0
FY 2003	2

Methodology: Measured by fiscal year.

Analysis of results and challenges: One of the best ways to measure the level of maintenance and risk prevention at the airport is to track the number of settled property and injury claims against the Fairbanks International Airport. Claims are measured annually from data provided by Department of Administration, Risk Management.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: Zero major discrepancies on annual Part 139 inspections.
Status #1: Fairbanks International Airport had two notices of violation so far in 2009, the same number of notices as 2008.

Number of Part 139 inspection discrepancies

Year	YTD Total
2009	2
2008	2
2007	0
2006	4
2005	3
2004	2
2002	3

Methodology: Measured annually by calendar year.

Analysis of results and challenges: As a federally assisted airport, Fairbanks International Airport must comply with all Federal Aviation Administration (FAA) operational and airfield requirements. Compliance is awarded based on an annual certification inspection. Typically, there are minor discrepancies discovered during certification inspections that do not affect the passing results. The inspection is a cooperative “win-win” process in which the Airport gains knowledge and is often able to correct such items during the inspector’s visits.

Target #2: Zero environmental Notices of Violation or Non-Compliance Letters.
Status #2: The Fairbanks International Airport (FAI) had zero notices of violation or letters of non-compliance for environmental issues in 2008.

Number of Notice of Violations/Non-compliance letters

Year	YTD Total
2008	0
2007	0
2006	1
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Environmental stewardship is important, and like other business entities - FAI must comply with all environmental regulations related to activities, property and facilities managed by the airport. Preventative environmental programs are implemented in an effort to reduce or eliminate environmental violations. (This measurement does not include actions issued directly to tenants or other airport users.)

Target #3: Maintain adequate runway conditions for safe operations.
Status #3: There was one closure of Fairbanks International Airport's main runway from January through October of 2009. It was closed for twelve minutes to test braking action during icy conditions.

Number of hours per year runway is closed that impact aviation operations

Year	YTD Total	3yr Average
2009	1	0
2008	0	0
2007	0	0
2006	1	1
2005	0	1
2004	1	1
2003	2	2

Methodology: Reporting is on a calendar year basis.

Analysis of results and challenges: Fairbanks International Airport uses flex staffing and preventative maintenance in challenging weather conditions to ensure the airways and air surfaces remain open for business. Success in airfield maintenance is measured by the amount of time the airfield is closed as recorded on Notice to Airmen issued by permitted agencies. The episodes included for the measurement are those times in which airfield closures impact scheduled operations. Closures that occur when the runway is not in use normally last for 10 minutes or less.

Target #4: Reduce the number of airfield deviations and incursions per year.
Status #4: The number of airfield deviations or incursions at Fairbanks International Airport (FAI) in 2009 was seven compared to the 3-year average of 6.33.

Number of deviations and incursions

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	3yr Average
2009	0	4	1	2	7	6.33
2008	1	2	1	2	6	5.0
2007	0	1	5	0	6	3.33
2006	0	0	3	0	3	2.75
2005	0	1	0	0	1	2.6
2004	0	1	1	1	3	3.5
2003	0	0	2	2	4	4

Methodology: Measured by calendar year.

Analysis of results and challenges: Deviations and incursions are terms used to describe a pedestrian or vehicle entering radio-controlled surfaces at an airport without permission; i.e., not receiving clearance from the air traffic control tower to cross a taxiway or runway. Unlike airports that have multiple main runways that offer choices to landing or departing aircraft, FAI's challenge is to perform runway maintenance and still have it available for aviation operations. To accomplish this, FAI is vigilant about training all badged personnel in proper radio procedures to ensure deviations and incursions are avoided; further, if they do occur, to retrain or remove non-compliant users from

the airfield. Fairbanks has been very proactive in working with users, tenants and the Federal Aviation Administration to identify and remedy situations which can lead to vehicle and pedestrian deviations. To that end, FAI established a local Runway Safety Task Force and initiated an airfield-wide controlled access improvements capital project. This is measured by the number of deviations and incursions recorded by permitting agencies and reported to FAI.

Target #5: Zero Airport Police and Fire officer response times that do not meet or exceed Code of Federal Regulation guidelines.
Status #5: Airport Police and Fire officers performed 2,920 law enforcement responses in FY2009, all within federal guidelines.

Number of occurrences where the response was not within federal guidelines

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: In compliance with federal law and in an effort to provide a safe facility, Fairbanks International Airport (FAI) must ensure that an accredited police officer is able to respond to the passenger screening point within 10 minutes. To accomplish this, FAI has at least one commissioned police officer on the premises at all times. Airport police officers respond to hundreds of requests per year and by doing so, ensure a safe traveling environment.

Target #6: Ensure adequate emergency medical response on the airport.
Status #6: Provided Emergency Trauma Technician coverage which included over 36 medical emergencies during the year.

Number of non-compliance occurrences

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2004	0
2003	0

Methodology: Reporting is on a calendar year basis.

Analysis of results and challenges: Federal regulations require that at least one full-time Emergency Trauma Technician (ETT) be available during all operational times. This is measured by recording the number of occurrences in which a fully trained ETT is not available to respond to emergency calls for assistance on the airport. To increase staff efficiency and ensure safe operations, Fairbanks International Airport (FAI) dual trains police and fire officers to also provide first responder medical services until an ambulance can arrive.

Target #7: Ensure fire response time meets or exceeds CFR Part 139 federal guidelines.
Status #7: Provided required coverage in 2008, during which 42 emergency fire responses were made, all meeting federal guidelines.

Number of non-compliance occurrences

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2004	0
2003	0

Methodology: Measured by calendar year.

Analysis of results and challenges: Federal regulations require a training response time of three minutes or less to the centerline of the runway for ARFF (aircraft rescue fire fighting). Fairbanks International Airport (FAI) accomplishes this by ensuring all fire trucks are in excellent working condition and by dual training the police and fire officers so that in the event of an emergency, any officer can respond to any situation. This is measured by recording the number of occurrences in which fire response time, training or otherwise, does not meet federal regulations. Coverage was also maintained during 2009 to date while Airport Police and Fire filled most of its vacant positions and the new recruits completed training requirements.

B: Result - Decrease revenue gap.

Target #1: Decrease the gap between revenues and expenditures.
Status #1: The gap between expenditures and revenues increased by 5.1% between FY2008 and FY2009.

Fairbanks International Airport expenditures in excess of revenue collected net of depreciation

Fiscal Year	YTD Total	% Change
FY 2009	$6,533,055	+5%
FY 2008	$6,217,501	+8%
FY 2007	$5,749,905	-9%
FY 2006	$6,325,143	+14%
FY 2005	$4,443,755	0%
FY 2004	$4,436,542	-4%
FY 2003	$4,604,154	+46%
FY 2002	$3,156,988	+23%
FY 2001	$2,558,475	-40%
FY 2000	$4,265,671	

Methodology: Measured each fiscal year from Alaska International Airport System audited financial statements (FAI expenditures plus expenditures for the Alaska International Airport System office in Anchorage as adjusted, less revenue collected, net of depreciation).

Analysis of results and challenges: Fairbanks International Airport (FAI) has embarked on an aggressive program to reduce the airport's gap between revenues and expenditures without sacrificing the most important result: safe operations. The approach is simple: increase revenue and maintain or decrease costs. The Alaska International Airport System (AIAS) is a self-sustaining entity. FAI serves as the primary landing alternate for Ted Stevens Anchorage International Airport and incurs operational costs in excess of revenues to sustain alternate viability.

Revenue earned decreased $190.7 from FY2008 to FY2009, while FAI/AIAS expenditures increased $124.9. FAI has held the line on revenues despite the global recession and on expenditures by keeping positions vacant and restricting non personal services expenditures as much as possible.

B1: Strategy - Increase revenue.

Target #1: Increase concession and permit revenues by 5% per year.
Status #1: Concession and permit revenues increased by 7.9% between FY2008 and FY2009 at the Fairbanks International Airport.

Percentage change in concession and permit revenues

Fiscal Year	YTD Total	% increase
FY 2009	$2,557,771	7.9%
FY 2008	$2,370,269	4.7%
FY 2007	$2,264,373	7.7%
FY 2006	$2,101,962	-0.3%
FY 2005	$2,107,549	19%
FY 2004	$1,770,386	8.8%
FY 2003	$1,626,800	10%
FY 2002	$1,479,300	15%
FY 2001	$1,285,898	

Methodology: Measured by fiscal year from FAI concession and vehicle parking income as reflected in the Alaska International Airport Systems audited financial statements.

Analysis of results and challenges: Fairbanks International Airport is reviewing the few remaining concession agreements that have not yet seen new contracts awarded in conjunction with opening the new passenger terminal. Concession revenues have increased for food and beverage, gifts, rental cars, advertising, and vehicle parking.

Target #2: Increase land lease revenues by 2% per year.
Status #2: Land lease revenues decreased by 1.4% at Fairbanks International Airport between FY2008 and FY2009.

Percentage change in land lease revenues

Fiscal Year	YTD Total	% change
FY 2009	$553,024	-1.4%
FY 2008	$560,915	+1.2%
FY 2007	$554,184	+3.9%
FY 2006	$533,277	+2%
FY 2005	$523,557	+7%
FY 2004	$490,468	+40%
FY 2003	$349,100	-0%
FY 2002	$349,600	+2%
FY 2001	$341,300	

Methodology: Revenues include land rent as shown in fiscal year-end Alaska International Airport System audited financial statements.

Analysis of results and challenges: Fairbanks International Airport continues to aggressively market vacant land and provide top-notch customer service. The leasing office recently completed adjustments to existing land leases to reflect increases in rental rates.

Target #3: Increase private investment by 2% per year.
Status #3: Private investment in FY2009 dropped by 59% from the five year average because most tenant funded build-out for the new passenger terminal was completed in FY2008.

Amount invested per year compared to a 5-year adjusted rolling average (ARA)

Year	YTD Total	5 year ARA	Variance
2009	$530,582	$1,288,232	-58.8%
2008	$3,388,790	$1,317,485	+157.22%
2007	$1,448,556	$774,855	+86.94%
2006	$523,650	$620,514	+15.61%
2005	$549,580	$596,512	-7.87%
2004	$676,850	$513,576	+31.80%
2003	$675,640		0 0%
2002	$541,579		0 0%
2001	$538,910		0 0%
2000	$134,900		0

Methodology: Target is 2% increase from 5 year ARA.

Measured by fiscal year from the dollar amount of permanent leasehold improvements as requested on airport building permits.

Analysis of results and challenges: The majority of the exceptional variation in activity reflects investment in infrastructure in the new terminal building. New contracts required significant dollar commitments for attractive, state-of-the-art facilities for air carriers, food and beverage, rental car and retail concessionaires. Most tenants moved into the new terminal in FY2008 and thus FY2009 reflects typical investment levels in premises upkeep.

B2: Strategy - Maintain or decrease costs.

Target #1: Maintain or decrease operational cost per enplaned passenger per year.
Status #1: The operational costs per enplaned passenger increased from 9.52 in 2007 to 9.70 in 2008 at Fairbanks International Airport as compared to the change in the 3-year average of 1.93.

Cost per enplaned passenger

Fiscal Year	YTD Total	Chg 3 year average
FY 2008	9.70	1.93%
FY 2007	9.52	6.97%
FY 2006	8.90	6.46%
FY 2005	8.36	8.43%
FY 2004	7.71	0.39%
FY 2003	7.68	3.86%

Analysis of results and challenges: This number is generated by the Alaska International Airport System (AIAS) Controller's Office and represents the average cost per enplanement (CPE) for all airlines serving the Ted Stevens Anchorage and Fairbanks International Airports. The airports and airlines use the CPE benchmark to evaluate annual operating costs by passenger, a widely-used measurement in the aviation sector. The AIAS methodology is based on that used by its bond issue feasibility consultants. AIAS passenger airline operating revenues are divided by total enplanements for the period to arrive at CPE.

Fairbanks International Airport uses this benchmark to determine success and identify when costs need to be kept down. Prior period values have been restated to properly correlate with the measure.

C: Result - Enhance customer satisfaction.

Target #1: Zero customer complaints associated with facility cleanliness, keeping, and stocking.
Status #1: There were no customer complaints logged associated with facility cleanliness or maintenance during FY2009.

Customer complaints

Fiscal Year	YTD Total
FY 2009	0
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0
FY 2003	0

Analysis of results and challenges: The last section of the new passenger terminal building opened in May 2009, and is still under warranty with the construction contractor who is working through "punch-list" items. Fairbanks International Airport is redesigning the customer satisfaction hotline system for the new building, but in the meantime has received no complaints through other channels regarding housekeeping.

C1: Strategy - Timely response to all maintenance requests.

Target #1: Respond to all public maintenance requests within three business days.
Status #1: The Fairbanks International Airport (FAI) staff responded to all public maintenance requests within three business days throughout FY2009 as they did in FY2008.

Average time in days taken to respond to maintenance requests

Fiscal Year	YTD Total
FY 2009	0
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0

Analysis of results and challenges: Measured quarterly and based on initial response time, i.e., call back to customer inquiries and requests. There is always an immediate response from staff. FAI categorizes maintenance requests in order of priority starting with public safety, operational impact not safety related, and long-term predictable maintenance. The category of request will dictate the completion time, ranging from immediate to long-term. However, each request will be logged and responded to at least verbally within three business days. Building Maintenance has been impacted by opening the new terminal. The project is not complete and will not be turned over to FAI until sometime in late 2009. Building staff have performed work on new systems such as baggage handlers, even though these are still under warranty, because the manufacturer and support staff are located out of state.

C2: Strategy - Ensure business friendly leasing and permit process.

Target #1: 90% customer service satisfaction rating of potential/actual applicants seeking land leases, building permits, and supplements.
Status #1: The Fairbanks International Airport again maintained a 100% customer service satisfaction rating for assistance and processing of land leases, building permits and supplements during FY2009.

Percentage of satisfied applicants

Fiscal Year	YTD Total
FY 2009	100%
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%
FY 2004	100%

Methodology: Measured on a fiscal year basis.

Analysis of results and challenges: Customer satisfaction can assist the airport in achieving its revenue generating targets. It is important that potential and actual applicants seeking land leases, building permits and supplements find the leasing and permit process open to competition, customer friendly, responsive, and oriented to problem solving. An exit survey is used that contains five to ten questions. It has a rating scale of one to five that provides feedback to management regarding how well customers are served and possible areas of improvement.

Highways & Aviation Results Delivery Unit

Mission

Operate, maintain, safeguard, and control the state's infrastructure system of highways, airports and harbors.

Core Services

- Winter snow and ice control, including snow plowing, snow removal, sanding, anti-icing, avalanche control, snow fencing and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, pavement marking, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems maintenance, including traffic signals, intersection and road illumination, harbor electrical service and lighting, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Access control to state rights of way for driveways, access roads, signs and utilities.
- Security at state airports in compliance with the Homeland Security and the Transportation Security Administration (TSA).
- Operation of certificated airports in compliance with 14 CFR Part 139.
- Maintenance of federally mandated security at state airports, including access controls, criminal history checks and badging, security fencing, communications, and law enforcement.
- Emergency response to impacts on State highways and airports from natural disasters.
- Active avalanche prevention program.

End Result	Strategies to Achieve End Result
A: Maintain state-owned roads, highways and airports to appropriate department standards. Target #1: Improve customer satisfaction by 3% with highways and aviation services. Status #1: In 2008 there was a slight increase to 74.7% in satisfaction with the conditions of Alaska's roads and highways and a decrease to 80.1% in satisfaction with the condition of the rural airports (excludes Anchorage and Fairbanks).	**A1: Keep urban highways passable at all times.** Target #1: Clean up snow and ice from urban highways within 18 hours after the end of a snow storm. Status #1: The number of hours taken to remove snow and ice from urban highways after a storm decreased in 2008 to 18.2 from the 32.0 hours it took in 2007. **A2: Ensure regulatory compliance at rural Part 139 airports.** Target #1: No major violations during annual Part 139 inspections. Status #1: During 2008, the department operated the rural certificated airports without any violations identified during annual Part 139 inspections by the Federal Aviation Administration. **A3: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training. Status #1: The percent of employees completing required safety training decreased in 2008 by 33% over the percent completed in 2007.

Performance Detail

A: Result - Maintain state-owned roads, highways and airports to appropriate department standards.

Target #1: Improve customer satisfaction by 3% with highways and aviation services.
Status #1: In 2008 there was a slight increase to 74.7% in satisfaction with the conditions of Alaska's roads and highways and a decrease to 80.1% in satisfaction with the condition of the rural airports (excludes Anchorage and Fairbanks).

Satisfaction

Year	Roads & Highways	Rural Airports
2008	74.7%	80.1%
2005	73.1%	84.5%

Analysis of results and challenges: The department contracted for a survey to be conducted in January 2008. Customer satisfaction with the operation and maintenance of our highways and rural airport system increased significantly between 1998 and 2005. This may have a direct correlation with the size of the maintenance budgets. In 1998, the burgeoning state fiscal problems manifested into flat line budgets that limited our ability to address maintenance problems on the roads and airports. Starting in 2003, the maintenance program began receiving additional funding in both operating and capital programs. These increased funds allowed the department to address some of the long-standing issues that the public had complained about for several years. Those areas identified by the survey that require additional efforts by the department include rut-free road surface, longer lasting pavement materials, smooth pavement, congestion relief and prompt road maintenance.

A1: Strategy - Keep urban highways passable at all times.

Target #1: Clean up snow and ice from urban highways within 18 hours after the end of a snow storm.
Status #1: The number of hours taken to remove snow and ice from urban highways after a storm decreased in 2008 to 18.2 from the 32.0 hours it took in 2007.

Average number of hours to clean urban roads

Fiscal Year	YTD Total
FY 2008	18.2
FY 2007	32.0
FY 2006	14.7
FY 2005	15.5
FY 0	0

Analysis of results and challenges: Urban highways receive priority snow and ice control service due to the large volume of traffic on these routes. Managers must ensure that maintenance personnel and equipment are mobilized to clear these routes and have them cleaned up within 18 hours after a winter storm subsides. A completed winter road provides safe driving conditions and will be either a bare road or a plowed road with an adequate amount of sand applied for traction. Intersections and turn lanes will be cleared of snow in the driving lanes.

This result is an average clean up time for the four large urban centers of the state - Anchorage, Fairbanks, Palmer/Wasilla and Juneau. Variables including severity of the snow storms and the amount of secondary roads that must also be plowed all factor into how long it takes to clean up the roadsides and intersections. For instance, Fairbanks crews do a complete circuit of their Priority One roads first before spreading out to their Priority Two and Three roads. Only after all roads have at least been plowed through will the crews return to do the clean up. Maintenance managers are challenged to apply enough resources at the right time to deal with the storm without overstressing the capabilities of the operators or over-expending funds. They must address additional needs on non-urban roads, keep crews working safely, and be ready to respond to future storms.

A2: Strategy - Ensure regulatory compliance at rural Part 139 airports.

Target #1: No major violations during annual Part 139 inspections.
Status #1: During 2008, the department operated the rural certificated airports without any violations identified during annual Part 139 inspections by the Federal Aviation Administration.

Number of major airport violations

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2004	0
0	0

Analysis of results and challenges: State of Alaska rural airports that provide Part 139 service (air carriers with aircraft of over 30 seats) must meet rigid Federal Aviation Administration (FAA) standards to maintain their certificates. FAA inspects each airport annually. Failures to meet FAA standards for airport operations, called "violations", can result in fines or suspension of the airport's certificate. The department's goal is to maintain the airports at a level of compliance that will ensure no violations occur.

We continue to be successful in meeting this goal. Maintaining this level of service requires diligence and skillful management of airport maintenance assets and extensive training of airport maintenance crews. Costs of airport maintenance continue to rise as FAA regulatory requirements become more stringent.

A3: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training.
Status #1: The percent of employees completing required safety training decreased in 2008 by 33% over the percent completed in 2007.

Percentage of employees completing safety training

Year	YTD Total	% change
2008	58.6%	-33%
2007	87.5%	+17%
2006	75.0%	+19%
2005	63.0%	+32%
2004	47.6%	-7%
2003	51.0%	

Methodology: Target is 10% increase.

Analysis of results and challenges: The Safety Task Force is reviewing the definition of "required" training and is gathering data to track training meetings held and employees who attended. We see lower costs to the department as a result of safety training efforts. Highway and airport maintenance duties are inherently dangerous. Federal and State Occupational Safety and Health Administration (OSHA) training requirements were established to help ensure that maintenance workers stay safe. Meeting those requirements is challenging for managers who have limited time and resources. Adding to the difficulty is providing these requirements to a workforce spread out across the state in 84 different locations while continuing to meet regular workload obligations. Department management is incrementally increasing the training of maintenance workers while still providing a full level of service on our highways and airports. Through additional safety and equipment operations training, we are reducing work related injuries and workers compensation claims.

Marine Highway System Results Delivery Unit

Mission

Provide safe, secure, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System by developing and implementing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

Core Services

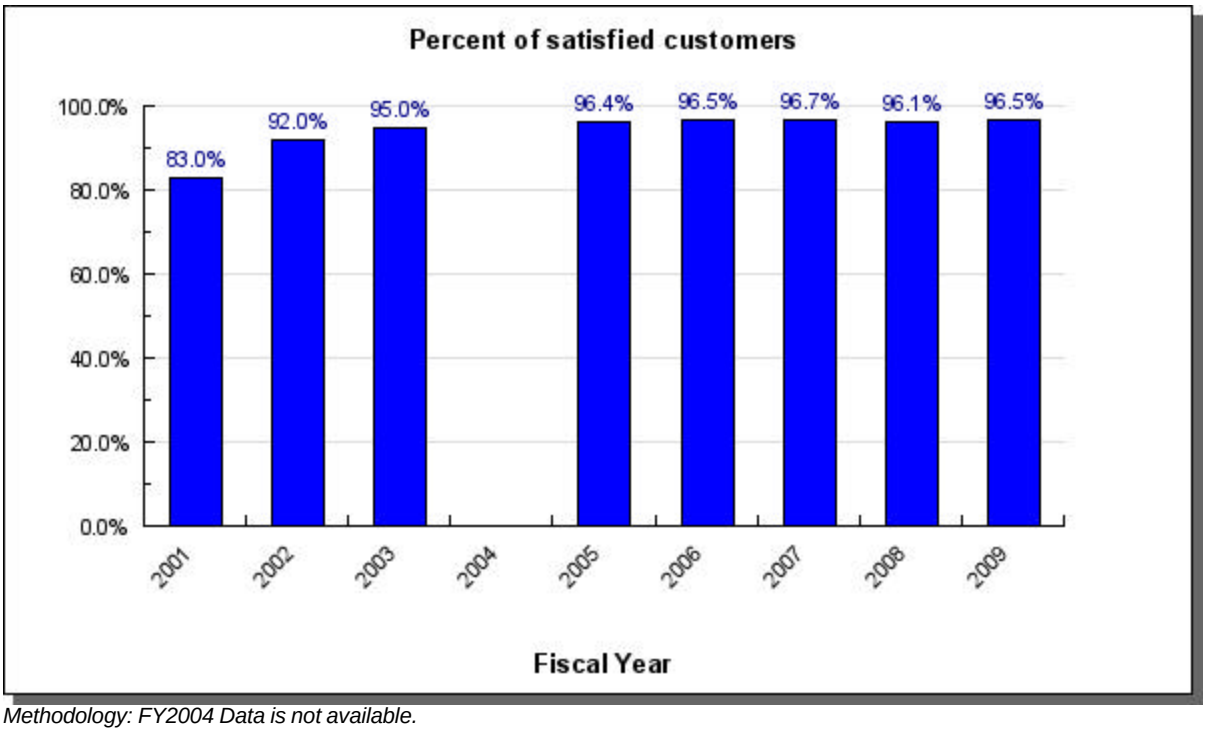
- The Alaska Marine Highway System (AMHS) operates 11 roll-on/roll-off passenger ships during the summer season and as few as 4 ships during the fall, winter and spring season. Weeks of operation are tailored to meet the needs of the traveling public and communities while maximizing revenue and minimizing costs.
- AMHS transports people, goods and vehicles to and from 32 ports along 3,500 route miles from Bellingham, Washington out the Aleutian Island chain to Unalaska.
- Shore operations includes 16 State-owned terminals and their staff who provide shelter and book passage for an average of over 320,000 passengers and stage over 100,000 vehicles per year aboard AMHS vessels.
- 772 shipboard employees crew AMHS vessels based upon U.S. Coast Guard (USCG) requirements and 163 shore side employees including terminal operators provide support to the vessels and crew.
- AMHS constantly maintains, repairs, refurbishes, and upgrades its vessels and terminal facilities. Hard use in a marine environment and the stringent regulations (state, federal, and international) governing passenger-carrying marine vessels determine the need for these activities.

End Result	Strategies to Achieve End Result
A: Improve mobility of people and goods. Target #1: Meet or exceed 95% satisfied customers with Marine Highway System reliability, convenience and efficiency. Status #1: Customer satisfaction with the Marine Highway System has stayed strong at 96.5% for the 5th year in a row, with a high percentage of respondents giving an excellent rating.	**A1: Provide reliable, convenient and efficient service.** Target #1: Meet or exceed industry standard for on-time departures. Status #1: On-time departures in 2009 were 92% which is an improvement over the 88% previous 3-year average and well above the industry standard of 75.1%. Target #2: Increase the frequency of port calls by 5% from the prior year. Status #2: Alaska Marine Highway System port calls increased 1% in FY2009 from 7,019 to 7,110, and fell short of the 7,370 target.
End Result	**Strategies to Achieve End Result**
B: Improve performance. Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%. Status #1: The ratio of revenue per rider mile to the cost per rider mile remained constant between FY2008 and FY2009.	**B1: Increase revenues.** Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average. Status #1: Onboard sales per passenger were $27.64, which is a 2.9% decrease from the previous 3-year average of $28.46. Target #2: Increase passenger capacity utilization by 3%. Status #2: Passenger capacity utilization was 29%, which is a 1.8% increase over the prior 3-year average of 28.1%.

Performance Detail

A: Result - Improve mobility of people and goods.

Target #1: Meet or exceed 95% satisfied customers with Marine Highway System reliability, convenience and efficiency.
Status #1: Customer satisfaction with the Marine Highway System has stayed strong at 96.5% for the 5th year in a row, with a high percentage of respondents giving an excellent rating.



Methodology: FY2004 Data is not available.

Analysis of results and challenges: Independent surveys are conducted onboard Alaska Marine Highway System vessels at various points throughout the summer season. Passengers are asked to rate a variety of aspects relative to their experience. The survey data is summarized and the results are presented to management.

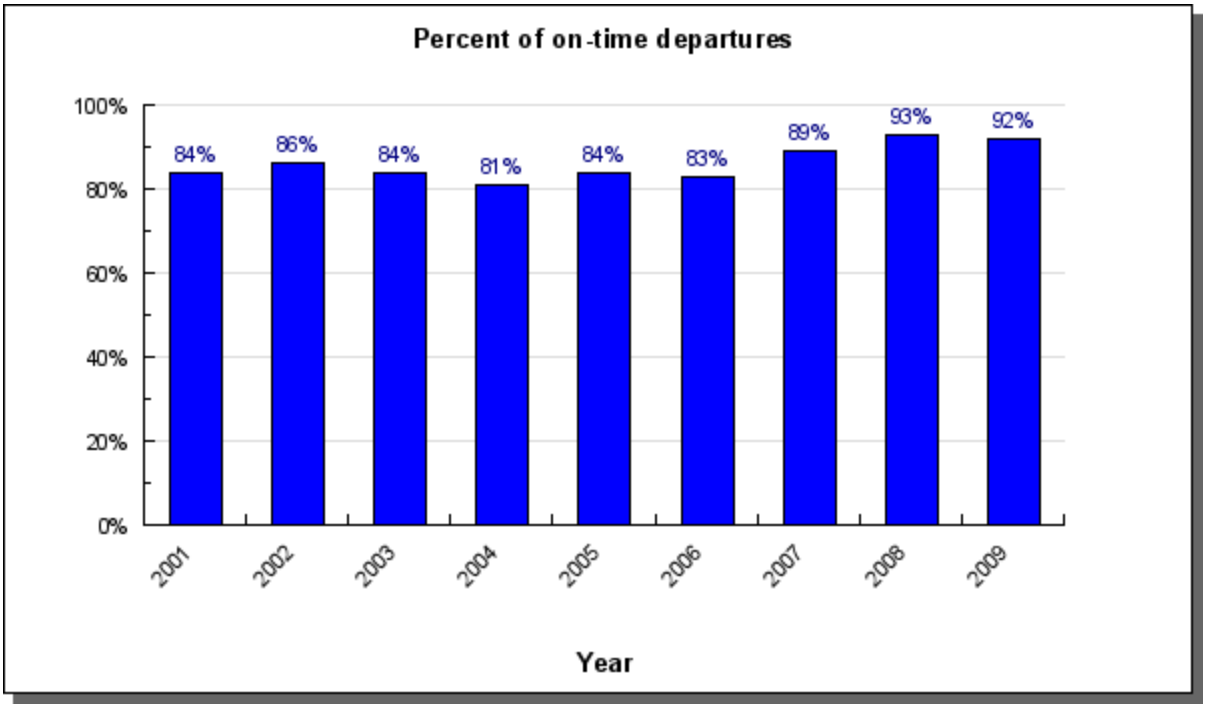
Alaska Marine Highway ensures a high degree of customer satisfaction through the development of a culture that cares about all passengers. Every section works to instill a high degree of responsibility to their staff to take care of our passengers.

We also credit our success to training. We have provided joint training at the “Senior Officers Meeting” in the areas of human resources, customer service, communication, information technology, procurement and interpersonal relationships. Training leads to more knowledgeable, confident employees; which in turn, transfers to great service to our passengers.

The Alaska Marine Highway System strives to improve the customer experience. We continue to look for new, better or different ways to improve the overall satisfaction of our passengers.

A1: Strategy - Provide reliable, convenient and efficient service.

Target #1: Meet or exceed industry standard for on-time departures.
Status #1: On-time departures in 2009 were 92% which is an improvement over the 88% previous 3-year average and well above the industry standard of 75.1%.



Analysis of results and challenges: The target is for the Alaska Marine Highway System (AMHS) to consistently exceed the on-time airline departure benchmark of 75.1%. An on-time ferry departure is within 30 minutes of the scheduled departure time.

Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's, trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the department's control.

Target #2: Increase the frequency of port calls by 5% from the prior year.
Status #2: Alaska Marine Highway System port calls increased 1% in FY2009 from 7,019 to 7,110, and fell short of the 7,370 target.

Number of port calls to Alaska communities

Fiscal Year	YTD Total	Target	Variance
FY 2009	7,110	7,370	1.30%
FY 2008	7,019	8,007	-7.96%
FY 2007	7,626	8,337	-3.95%
FY 2006	7,940	5,964	+39.80%
FY 2005	5,680	6,306	-5.43%
FY 2004	6,006	6,710	-6.00%
FY 2003	6,390	6,613	+1.46%
FY 2002	6,298	6,687	-1.11%
FY 2001	6,369		0

Methodology: Target is increase of 5% from prior year.

Analysis of results and challenges: This measure reflects the service level provided to communities dependent upon the Marine Highway System. FY2009 showed an overall increase in service weeks, from 389 in FY2008 to 396 in FY2009. FY2009 service levels were the second year of a three year commitment of the Administration to provide consistent service levels.

B: Result - Improve performance.

Target #1: Increase the ratio of revenue per rider mile to the cost per rider mile by 2%.
Status #1: The ratio of revenue per rider mile to the cost per rider mile remained constant between FY2008 and FY2009.

Ratio of revenue per rider mile to cost per rider mile

Fiscal Year	YTD Total
FY 2009	0.33 0%
FY 2008	0.33 -2.94%
FY 2007	0.34 -10.53%
FY 2006	0.38 -15.56%
FY 2005	0.45 -10%
FY 2004	0.50 +4.17%
FY 2003	0.48 -4%
FY 2002	0.50 +8.7%
FY 2001	0.46

Analysis of results and challenges: FY2009 operational costs per rider mile remained flat as compared with 2008 costs. Negotiated increases in wages were offset by slightly lower delivered fuel costs. In fiscal year 2009, collective bargaining agreements were signed with the 3 vessel unions. The financial impact in the first year amounted to an approximate 3% increase in wages. During the same period, delivered fuel costs fell from $2.90 per gallon in the previous year to $2.70. .

The Alaska Marine Highway System (AMHS) continued to see increased ridership as passenger and vehicle count were up 2% and 7% respectively but earned revenue fell 3.02%. The increase in ridership was for shorter or winter voyages that do not generate a great deal of revenue. This is related to the Malaspina being converted from a long haul vessel to a day boat operation. Revenues were also negatively impacted by a generator fire aboard the Columbia which curtailed operations during the summer season for a 2 week period. The most current tariff increase was at the start of FY2008 and was a 3.2% increase across the board.

AMHS is in the process of evaluating the upgrading of the fleet with the addition of shuttle ferries. The vessels Malaspina, Matanuska and Taku are approaching the ends of their useful lives and it is management's belief that these boats should be replaced by day boat shuttle ferry operations. It is envisioned that these clone shuttles would operate in North Lynn Canal, between Ketchikan and Prince Rupert and potentially Prince William Sound. These vessels are being designed to be very economical and will provide for more efficient scheduling in high volume areas. In turn, these new vessels will allow for increased efficiencies through greater asset utilization. The first shuttle ferry is currently in the design phase and with funding the project could be in construction phase by March of 2010.

B1: Strategy - Increase revenues.

Target #1: Increase onboard sales per passenger by 5% over the previous 3-year average.
Status #1: Onboard sales per passenger were $27.64, which is a 2.9% decrease from the previous 3-year average of $28.46.

On-board sales per passenger compared to 3 year average

Fiscal Year	YTD Total	Prior 3 year average	Variance
FY 2009	27.64	28.46	-2.9%
FY 2008	27.96	29.27	-4.5%
FY 2007	29.79	30.14	-1.2%
FY 2006	30.06	29.52	1.7%
FY 2005	30.09	28.14	6.9%
FY 2004	30.27	25.11	20.5%
FY 2003	28.19		
FY 2002	25.97		
FY 2001	21.19		

Methodology: Target is 5% increase from prior 3-year average.

Analysis of results and challenges: The Alaska Marine Highway System (AMHS) continues to look at increasing ship board generated revenues. At the beginning of FY2008, a 3.2% increase was placed on staterooms to reflect the market demand of these ship board services. During FY2008, the Malaspina was converted from a long haul vessel into a day boat operation which has a drastic effect on on-board sales as the vessel's stateroom sales were limited to 10 units. This ratio was also impacted by the 2 week summer breakdown of the Columbia which is a major provider of passenger service income streams.

Target #2: Increase passenger capacity utilization by 3%.
Status #2: Passenger capacity utilization was 29%, which is a 1.8% increase over the prior 3-year average of 28.1%.

Passenger capacity utilization

Fiscal Year	YTD Total	Prior 3 year average	Variance
FY 2009	29%	28.1%	1.77%
FY 2008	29%	27.3%	6.23%
FY 2007	27%	28.7%	-5.92%
FY 2006	26%	30.3%	-14.19%
FY 2005	29%	31.7%	-8.52%
FY 2004	31%	32.7%	-5.19%
FY 2003	31%		
FY 2002	33%		
FY 2001	34%		

Methodology: Target is 3% increase compared to 3-year average.
The analysis converts capacity data into passenger miles by taking the sum of each trip's passenger capacity and multiplying it by the distance the ship travels. This produces the capacity number. Next, the analysis considers the actual sum of passengers that were on board and multiplies that number by the distance they traveled. This produces the utilized number. Finally, the utilized number is divided by the capacity number to produce the utilization percentage.

Analysis of results and challenges: In FY2009, the Alaska Marine Highway System (AMHS) saw increased customer utilization as a direct result of providing a consistent schedule and ever increasing marketing strategies.

AMHS remains committed to the current schedule and will strive for the earliest possible schedule releases. It is anticipated that passenger and car deck utilizations will continue to increase.

Measurement Standards & Commercial Vehicle Enforcement Component

Mission

Enhance the safety of the motoring public, protect public infrastructure, and assure market place confidence and equitable trade.

Core Services

- Issue oversize/overweight Commercial Motor Vehicle (CMV) permits.
- Commercial Vehicle Enforcement (CVE) currently operates five-fixed, functional weigh stations at key locations, performs roadside inspections using mobile inspection teams, and has patrol units performing traffic stops on unsafe operators.
- Commercial motor vehicle outreach - Provide safety and hazardous material transport training and coordination of secondary size, weight and safety enforcement activities with other state and local enforcement agencies.
- Measurement Standards Testing of prepackaged commodities by weight or volume; Inspect, test, and certify commercial meters, retail scanning systems, and commercial scales including retail, medium, large, fishing, and vehicle scales.
- Measurement Standards Metrology Laboratory - Provides calibration and certification for the standards used by Weights and Measures Inspectors, other government agencies and industry.

End Result	Strategies to Achieve End Result
A: Reduce fatalities and injuries from crashes involving Commercial Motor Vehicles (CMV). Target #1: Reduce commercial motor vehicle fatalities to below 5 year average. Status #1: Fatalities resulting from accidents involving commercial motor vehicles decreased by 28.57% from 7 in 2007 to 5 in 2008, which is less than the 5 year average of 7.2 fatalities.	**A1: Increase the safety of commercial motor vehicles.** Target #1: Reduce the commercial motor vehicle out-of-service rate by 1% as compared to the average for the past five years. Status #1: The commercial motor vehicle out-of-service rate decreased to 23.16% in 2009 from 24.60% in 2008, with is below the 5-year average of 24.34%. Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration. Status #2: 100% of new entrant carriers received a safety audit within 18 months of registration in 2009, which was the same level as 2008.
End Result	**Strategies to Achieve End Result**
B: Protect and preserve highway infrastructure. Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites. Status #1: 99.2% of the commercial motor vehicles that were inspected in 2009 were weight compliant.	**B1: Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMV's) on highways.** Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year. Status #1: The number of roadside commercial truck inspections decreased in 2009 by 23.72%, bringing total inspections to 3,929.
End Result	**Strategies to Achieve End Result**
C: Assure and maintain market place confidence and	**C1: Provide efficient inspection program.**

equitable trade. Target #1: Increase scale, meter and price verification compliance rate by 1%. Status #1: Weighing and measuring device compliance decreased from 85% in 2008 to 84% in 2009 of all scale, meter and price verification tests that were performed.	Target #1: Increase the number of scale, meter and price verification inspections by 1% compared to previous year. Status #1: The number of scale, meter and price verification inspections decreased between 2008 and 2009 by 0.58% to 17,509 devices being inspected. Target #2: Increase the number of package lots inspected by 10% compared to previous years. Status #2: The Package Testing program increased the number of lots tested by 3.3% to 625.

Performance Detail

A: Result - Reduce fatalities and injuries from crashes involving Commercial Motor Vehicles (CMV).

Target #1: Reduce commercial motor vehicle fatalities to below 5 year average.
Status #1: Fatalities resulting from accidents involving commercial motor vehicles decreased by 28.57% from 7 in 2007 to 5 in 2008, which is less than the 5 year average of 7.2 fatalities.

Number of commercial motor vehicle fatalities

Year	YTD Total	% Change
2008	5	-28.57%
2007	7	75.00%
2006	4	-20.00%
2005	5	-66.67%
2004	15	200.00%
2003	5	-37.50%

Methodology: Target is to have fewer fatalities than the average of the five prior years.

Five-year average obtained from SafetyNet.

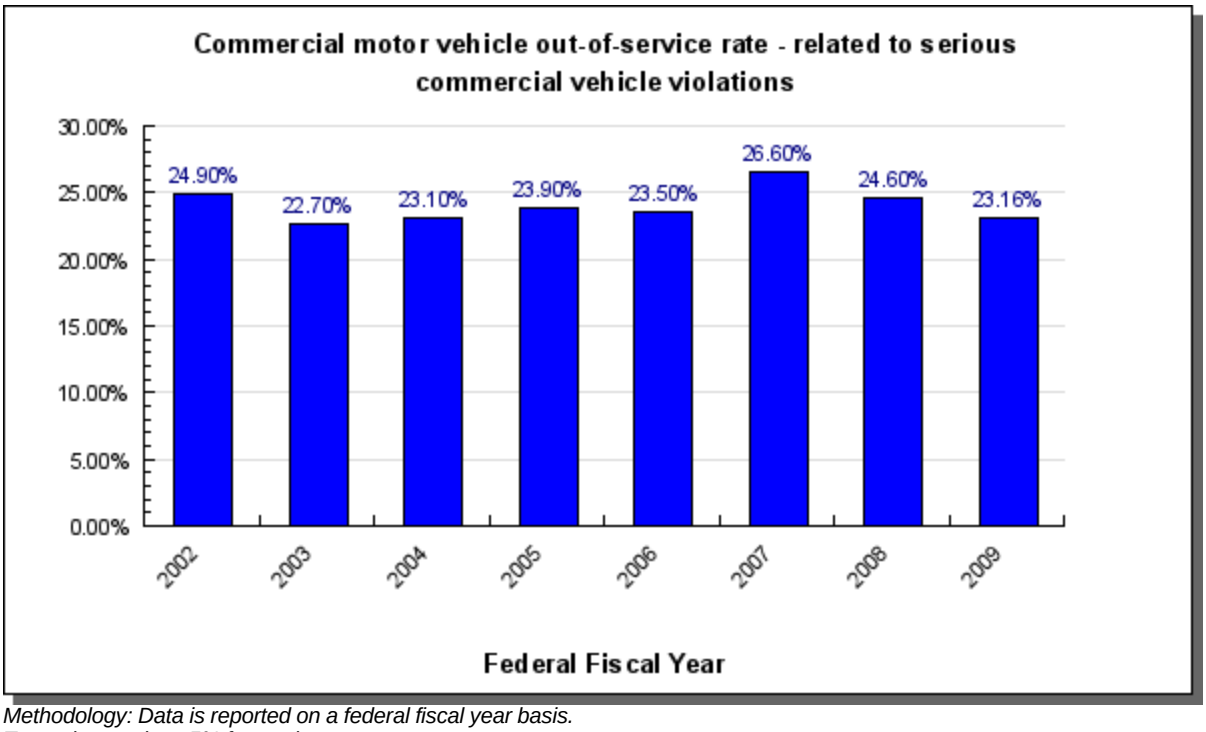
Data is reported on a calendar year basis.

Analysis of results and challenges: Nationwide, in 2008, 4,341 people died in crashes involving a large truck, compared to 4,808 in 2007. While significant progress is being made toward meeting the goal of saving lives by preventing truck and bus crashes, much more needs to be done. Violations add potential risk. Risk is defined as the likelihood that a violation would be a contributing factor to a crash or hazardous materials release or exposure.

The challenge is to distinguish among violations that contribute to a significant, immediate risk of a crash or hazardous materials incident; violations that pose less significant risks; and violations that pose little or no risk. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) will continue working with the Alaska State Troopers and police departments to target unsafe drivers. Department enforcement activities will be targeted to those areas where there is an immediate risk of crashes or hazardous material incidents.

A1: Strategy - Increase the safety of commercial motor vehicles.

Target #1: Reduce the commercial motor vehicle out-of-service rate by 1% as compared to the average for the past five years.
Status #1: The commercial motor vehicle out-of-service rate decreased to 23.16% in 2009 from 24.60% in 2008, with is below the 5-year average of 24.34%.



Methodology: Data is reported on a federal fiscal year basis.
Target is to reduce 5% from prior year.
Five-year average (2004-2008): 24.34%

Analysis of results and challenges: The Motor Carrier Safety Assistance Program (MCSAP) through the Commercial Vehicle Safety Alliance (CVSA) has established Out-of-Service criteria for commercial vehicles and drivers. Using those criteria in the course of conducting vehicle/driver inspections, vehicles and/or drivers can be placed out-of-service. The national vehicle out-of-service rate for 2008 was 22.6%.

While Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) focused on the second truck population during the past fiscal year, the number of out-of-service violations decreased. This decrease indicates that the second truck population is in the process of coming into compliance with the latest regulations, by education and enforcement. The deployment of mobile inspection systems will expand inspections on the second truck populations in areas not covered by weigh stations or one day roadside inspection units. Second truck populations are those that travel on the road system and have routes that miss the fixed weigh stations.

Risk management is the process by which an organization identifies and understands sources of risk, makes decisions on how to allocate resources to address these risks, and confirms the validity of these decisions using performance results. MS&CVE is using risk-based decision-making to enhance agency efforts to promote the safe operation of commercial motor vehicles. One approach is in the risk-based differentiation of the vehicle, driver, and hazardous materials violations found during inspections. MS&CVE can focus on of service enforcement and education during safety inspections by concentrating on the highest risk violations.

Target #2: 100% of new entrant carriers to receive a safety audit within 18 months of U.S. DOT registration.
Status #2: 100% of new entrant carriers received a safety audit within 18 months of registration in 2009, which was the same level as 2008.

Percent of new entrant compliance reviews within 18 months of U.S. DOT registration.

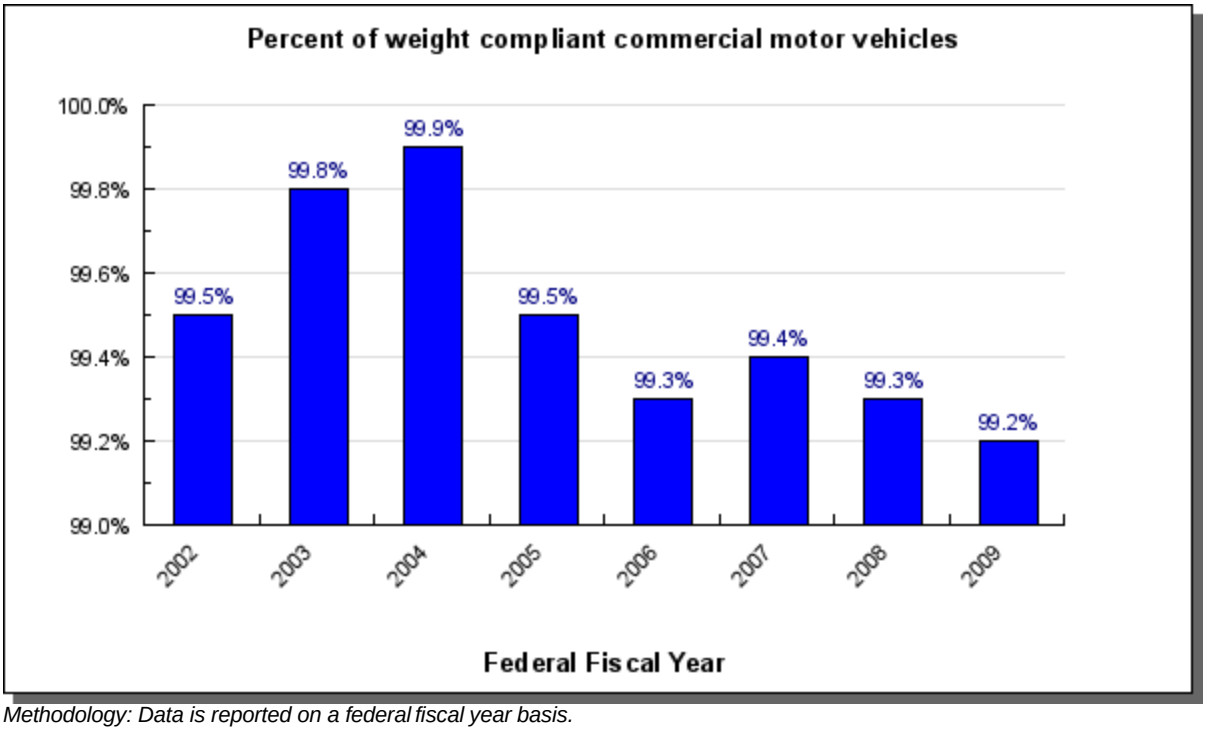
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FFY 2009	100%	100%	100%	100%	100%
FFY 2008	100%	100%	100%	100%	100%
FFY 2007	100%	100%	100%	100%	100%
FFY 2006	100%	100%	100%	100%	100%
FFY 2005	100%	100%	100%	100%	100%
FFY 2004	not available	not available	100%	100%	100%

Methodology: Data is reported on a federal fiscal year basis.

Analysis of results and challenges: The Federal Motor Carrier Safety Administration (FMCSA) develops, maintains, and enforces federal regulations that promote carrier safety, industry productivity, and new technologies. The FMCSA regulations establish safe operating requirements for commercial vehicle drivers, carriers, vehicles, and vehicle equipment. Each new interstate carrier is required to undergo a safety audit within eighteen months after starting business. In the State of Alaska, MS&CVE receives a New Entrant grant from FMCSA to conduct the safety audits. In federal fiscal year 2010, the standards and procedures for conducting safety audits are changing and will present a new challenge in maintaining the current level of performance.

B: Result - Protect and preserve highway infrastructure.

Target #1: 98% commercial motor vehicle weight compliance at fixed and mobile inspection sites.
Status #1: 99.2% of the commercial motor vehicles that were inspected in 2009 were weight compliant.



Methodology: Data is reported on a federal fiscal year basis.

Analysis of results and challenges: Division inspection efforts focus on maintaining the high level of compliance at weigh stations and improving compliance at the roadside inspection locations. Weight compliant commercial motor vehicles do not contribute to premature deterioration of Alaska's roads and bridges.

The department continues to place emphasis on inspections through expanded mobile enforcement coverage, authorized traffic stops by selected and trained Commercial Vehicle Enforcement Officers, and conducting joint operations with the Alaska State Troopers and local police departments. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) does not interact with privately owned vehicles or their drivers; however the division is authorized by the Federal Motor Carrier Safety Administration (FMCSA) to use up to 5% of the Motor Carrier Safety

Assistance Program (MCSAP) budget to fund other agencies to assist in these mandated efforts. MS&CVE routinely enters into contracts with local law enforcement agencies throughout the State to supplement enforcement efforts and to increase and encourage safe operations of commercial vehicles. Additionally this past year, MS&CVE funded the Alaska State Troopers to enhance enforcement efforts on unsafe practices involving CMVs on the Elliot and Dalton Highway (Haul Road), from Fairbanks to the end of the road.

B1: Strategy - Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMV's) on highways.

Target #1: Increase the number of roadside (mobile enforcement) commercial truck inspections by 5% over the previous year.
Status #1: The number of roadside commercial truck inspections decreased in 2009 by 23.72%, bringing total inspections to 3,929.

Truck inspections conducted with mobile units

Fiscal Year	YTD Total	% change
FFY 2009	3,929	-23.72
FFY 2008	5,151	-9.82%
FFY 2007	5,712	+5.36%
FFY 2006	5,421	+3.85%
FFY 2005	5220	+66.40%
FFY 2004	3,137	+20.36%

Methodology: Data is reported on a federal fiscal year basis.

Analysis of results and challenges: Commercial Motor Vehicles (CMVs) that do not routinely pass through a fixed weigh station location for inspection are more likely to be non-compliant in both size and weight. Division inspection efforts focuses on identifying and correcting non-compliant oversize and overweight vehicles as both pose serious threats to highway safety and premature deterioration of Alaska's roads and bridges. The frequency of roadside commercial vehicle inspections will be monitored to ensure that non-compliant CMVs operating on the public roadways are found and inspected.

Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) did not achieve the target of increasing roadside (mobile enforcement) inspections by 5% over the previous year. The main reason for the decrease in the number of roadside inspections is due to position vacancies that, for budgetary purposes, were left unfilled longer than normal. Four Commercial Vehicle Enforcement Officers were recently hired and are in the process of being trained. While MS&CVE has continued to conduct roadside inspections, these are now being done by a number of less experienced officers, thereby decreasing the number of overall inspections. As these officers become more experienced, we anticipate the number of roadside inspections to increase to previous levels. The time that it takes to train an officer to MS&CVE standards is lengthy and is continuous throughout their career.

C: Result - Assure and maintain market place confidence and equitable trade.

Target #1: Increase scale, meter and price verification compliance rate by 1%.
Status #1: Weighing and measuring device compliance decreased from 85% in 2008 to 84% in 2009 of all scale, meter and price verification tests that were performed.

Compliance rate on weighing and measuring devices

Fiscal Year	YTD Total	% change
FY 2009	84%	-1%
FY 2008	85%	-5%
FY 2007	90%	-1%
FY 2006	91%	+1%
FY 2005	90%	+1%
FY 2004	89%	-2%

Analysis of results and challenges: The Weights & Measures section had a temporary reduction in staffing levels during the hiring freeze. The figures detailing the small reduction in device totals is a testament to the caring and dedicated staff who gave the extra effort necessary to continue the mission. Challenges for FY10 will be to continue the training of new staff members, bring the new test equipment on-line, and develop a procedure to apply financial penalties to those businesses that fail to voluntarily comply with state statutes. Frequency of testing has always been the most effective method for reducing compliance failure rates. The addition of one new inspector position will allow MS&CVE to increase the frequency of testing for retail fuel dispensers in certain areas to less than once a year. Alaska Statute 45.75.080 "General testing" mandates that the director shall, at least annually and more often as considered necessary, inspect and test, to ascertain if they are correct, all weights and measures that are commercially used in Alaska. There are still many rural areas that cannot be tested at all due to a lack of equipment and budgetary constraints. MS&CVE is continuously exploring ways to be compliant with Alaska's laws.

C1: Strategy - Provide efficient inspection program.

Target #1: Increase the number of scale, meter and price verification inspections by 1% compared to previous year.
Status #1: The number of scale, meter and price verification inspections decreased between 2008 and 2009 by 0.58% to 17,509 devices being inspected.

The number of scale, meter and scanner inspections as compared to the previous year

Fiscal Year	YTD Total	Variance
FY 2009	17,509	-.58%
FY 2008	17,611	11.22%
FY 2007	15,834	-2.79%
FY 2006	16,291	4.50%
FY 2005	15,589	-5.33%
FY 2004	16,466	9.00%

Methodology: Data is reported on a state fiscal year basis.

Analysis of results and challenges: The department's goal is to assure market place confidence and equitable trade through increasing and improving scale, meter and retail pricing compliance rates. Emphasis will be placed on inspecting registered weighing and measuring devices annually, increasing large fuel meter inspections, increasing enforcement presence, and improving inspector productivity in the performance of price verification/scanner inspections. It appears that the combined number of scale, meter and price verification inspections decreased by 0.58% in FY2009. If the temporary reduction in staffing levels due to the hiring freeze is factored in, analysis shows that the individual inspector productivity level increased substantially.

Scales: Bringing the number of filled positions back to proper levels will result in a substantial increase in overall inspections. Three replacement pieces of crucial test equipment have been assembled and brought on line in late FY 09 and early FY10. These test trucks will increase the safety and productivity of our inspectors, which will give us the opportunity to perform an analysis of vehicle scale installations and provide the data necessary to support a regulations change requiring businesses to follow detailed installation procedures.

Meters: The retirement of the lead petroleum inspector during the hiring freeze resulted in a decrease in inspections. A replacement inspector has been added and MS&CVE will continue efforts in FY10 to increase our inspections activities due to the high price of fuel and the potential for inaccurate measurement. New equipment due in January 2010 will increase the capacity to inspect meters in the King Salmon/Dillingham areas and one new inspector will be

added to the meter testing program by January 2010.

Price Verification Testing: The hiring freeze and loss of personnel due to retirements required the reassignment of the full time inspector in this program. As a result, MS&CVE shows a 33% reduction in the number of products samples for accuracy to 35,400. Businesses in Alaska continue to be on pace with the national average of 98% compliant. We have developed and submitted a proposed bail schedule to the Supreme Court for ratification. The application of a fine will be an effective enforcement tool for those businesses that do not respond to our efforts to gain voluntary co-operation with regards to pricing accuracy.

Target #2: Increase the number of package lots inspected by 10% compared to previous years.
Status #2: The Package Testing program increased the number of lots tested by 3.3% to 625.

Number of Package Lots Inspected

Fiscal Year	YTD Total
FY 2009	625 +3.31%
FY 2008	605

Methodology: Data is reported on a state fiscal year basis.

Analysis of results and challenges: The Package Testing program, staffed by one full-time employee, inspected 625 package lots representing 148,494 packages. 104 package lots totaling 26,000 packages were found to be deficient. This program protects consumers from purchasing short weight products and is another area of enforcement we take to ensure consumer confidence in the marketplace.

The Divisions' Package Testing Program was implemented to meet our obligation identified in Alaska Statute 45.75.100 "Inspection of packages". With this mandate, we are testing to verify whether packages contain the amounts represented and whether they are kept, offered, or exposed for sale in accordance with law. Testing is conducted in accordance with procedures set out in 17 AAC 90.615, which states that National Institute of Standards and Technology Handbook 133 will be used as the State of Alaska test manual.

In order to test large quantities of packages with a degree of accuracy; statistically valid random selections are made from package lots. The sizes of these lots are determined by the inspector. All prepackaged commodities are subject to our enforcement actions; however we have developed a system of priorities to maximize the effectiveness of our limited resources. The highest priority is for those items labeled, packaged or manufactured in Alaska. Secondary priority would be those items imported from outside Alaska.

Through experience we have determined that inspectors should limit the lot sizes to no greater than 250 items. It is possible to test larger lot sizes in some of our manufacturing plants but the process can be counter-productive to our mission. When a lot is determined, a random selection of the total packages are identified for testing, an average empty container weight of this sample is determined through destructive testing and the remainder of the packages are weighed to ascertain if the lot meets the declared weight, including a calculated tolerance. Those lots that are found to be deficient are placed off-sale. Owners are given the opportunity to re-label, return to manufacturer or donate to charity.

Planning Results Delivery Unit

Mission

The mission of Transportation Planning is to optimize state investment in transportation by means of data-driven recommendations and meet federal and state requirements through effective data collection, analysis, planning, public involvement and documented decisions.

Core Services

- Develop statewide and area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement Program (STIP), as well as the annual capital budget. Provide key analyses to department management on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analyses to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services.
- Develop and maintain the Statewide Transportation Plan and Public Involvement Plan.
- Provide administration of the Scenic Byways Program, Safe Routes to Schools, Federal Transit Program and Federal Railroad Administration grants.
- Provide administration of the Alaska Highway Safety Office and related funding from the National Highway Safety Administration.
- Provide administration of Urban Planning and State Planning Programs, as well as general accounting and administrative support.
- Develop and administer the Strategic Highway Safety Plan.
- Administer planning for resource and community access roads program.
- Develop and maintain the department's financial interaction with the Denali Commission transportation program.
- Oversee the web and phone 511 Highway Information System and the Road Weather Information System.

End Result	Strategies to Achieve End Result
A: Access optimal federal funds for highway construction projects. Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1). Status #1: The division's objective of producing a timely STIP update was delayed by the fact that the federal transportation legislation renewal was not complete by summer of 2009. Target #2: Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter. Status #2: The updated Statewide Long-range Plan was successfully completed and adopted on February 29, 2008.	**A1: Streamline and improve federal-aid funding process.** Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%. Status #1: The processing time for federal-aid agreements and modifications decreased by 28.7% between 2008 and 2009 resulting in a 7.2 day turnaround.

End Result	Strategies to Achieve End Result
B: Achieve measurable improvement in highway safety. Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years. Status #1: In 2007, the state experienced 418 fatal and major injury crashes resulting in a 3.2 % decrease from the prior year, well below the 5-year average of 514.6.	**B1: Increase the public's awareness of safe driving habits.** Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average. Status #1: The state experienced a 3.03% increase between 2007 and 2008 and another 1% increase between 2008 and 2009 in the voluntary use of seatbelts which was surveyed at approximately 86.1%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008. **B2: Emphasize safety in transportation decision making.** Target #1: A federally reviewed Strategic Highway Safety Plan. Status #1: The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

Performance Detail

A: Result - Access optimal federal funds for highway construction projects.

Target #1: A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1).

Status #1: The division's objective of producing a timely STIP update was delayed by the fact that the federal transportation legislation renewal was not complete by summer of 2009.

STIP Review Timetable: Plan versus Actual

Year	Target Date	Actual Date	Deviation from Target
2011	Sept. 1, 2009	Anticipated January 2010	122 days late
2010	Sept 1, 2008	July 2, 2008	60 days early
2008	Sept 1, 2007	June 27, 2007	34 days early
2006	Sept 1, 2005	Jan 23, 2006	114 days late
2004	Sept 1, 2003	Nov 1, 2003	61 days late

Analysis of results and challenges: An approved Statewide Transportation Improvement Plan (STIP) is essential if the state is to have access to federal funds once each federal fiscal year begins. Each STIP has a four year valid life. The target of having the STIP ready for federal review at least 30 days prior to the federal fiscal year beginning provides a cushion to deal with the time necessary for two federal agencies to conduct their reviews and issue letters of approval.

The above goal also ensures the division and regional staffs are progressing in the many steps it takes to deliver the STIP. Efforts continue to shave time on the STIP development cycle, a process which has grown unwieldy in recent years.

Development of the 2010 – 2013 STIP was delayed for a variety of reasons:

- the impact on the Division from the additional workload of administering ARRA (American Reinvestment and Recovery Act) funds;
- the position assigned to development of the STIP was vacant during most of the relevant period;
- the uncertainty of the future Federal funding in 2010 and beyond;

The American Reinvestment and Recovery Act impacted the Division doubly. The ARRA funding established previously unknown levels of paperwork designed to address accountability for job creation. Additionally, the regular project processing was hastened to get the stimulus projects on the streets. One requirement of ARRA was that stimulus projects not impact the delivery of the regular program, so the workload described was in addition to regular workload.

Recruitment for STIP staff vacancies was delayed due to reclassification of the lead position and establishment of the other staff position. These delays further exacerbated the recruitment and subsequently the development of the STIP.

SAFETEA-LU, the transportation bill Congress passed in August 2005, expired September 30, 2009. A new six-year transportation bill has not yet been passed to replace it. Adding to the uncertainty of future Federal funding, the draft bills introduced in Congress make significant changes to historical funding paradigms. This has led to great uncertainty in forecasting future funding for the STIP. The State purposely delayed development of the STIP to account for changes in the expected legislation and to the extent possible had advance-funded key programs and projects. When no legislation was forthcoming, the State had to proceed with the development of the STIP to avoid impacting the State transportation program. The STIP as developed anticipates as many expected changes as possible, but we expect to have to amend it once the new legislation is passed.

In short, staff vacancies, additional workload of ARRA, and funding uncertainty all created the perfect storm to delay development of the STIP. These occurrences are very unlikely to repeat again.

Target #2: Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter.
Status #2: The updated Statewide Long-range Plan was successfully completed and adopted on February 29, 2008.

Adoption of Statewide Long-Range Transportation Plan

Year	Goal	Target Date	Actual Date	Deviation from Target
2007	Commissioner Approval	July 1, 2007	February 29, 2008	8 months

Analysis of results and challenges: The federal highway re-authorization law was passed in August 2005 which made sweeping changes to planning processes, apparently to streamline them. However, guidance and proposed regulations issued by Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) are more stringent, complicating the process with more federal requirements and steps. On February 14, 2007 the federal regulations that govern the planning steps required to use federal highway funds were issued. The July 1, 2007 due date for updating the plan became impractical since the release of the relevant rules left only 4.5 months to complete.

On stride to meet the mid-January 2008 date, the deadline was further extended to accommodate the holiday season. Following the extended comment period and several presentations of the 2030 plan to legislative committees, the plan was successfully completed on February 29, 2008.

In order to meet the timeframe set in this performance measure for the next update, the process has been initiated as of October 2009 with a scheduled adoption date of July 1, 2012 for the subsequent plan.

SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users")

A1: Strategy - Streamline and improve federal-aid funding process.

Target #1: Decrease time needed to process federal-aid agreements and modifications by 10%.
Status #1: The processing time for federal-aid agreements and modifications decreased by 28.7% between 2008 and 2009 resulting in a 7.2 day turnaround.

Days to process federal highway project funding requests

Fiscal Year	YTD Total	% change from prior year
FFY 2009	7.2	-28.7%
FFY 2008	10.1	-7.3%
FFY 2007	10.9	18.5%
FFY 2006	9.2	+9%
FFY 2005	8.5	-8%
FFY 2004	9.2	+13%
FFY 2003	8.2	+56%
FFY 2002	5.2	-5%
FFY 2001	5.5	

Analysis of results and challenges: Despite the increased difficulty in processing projects that was brought about by the passage of SAFETEA-LU and the additional workload of ARRA, we were able to significantly lower our processing time. This was possible due to having both staff positions filled with well trained and dedicated staff and would not have been possible without significant overtime. Further reductions in the processing time of Federal-aid would not be easily obtained in normal circumstances, but with the changes anticipated with the next transportation bill maintaining the new standard may not be possible.

B: Result - Achieve measurable improvement in highway safety.

Target #1: A reduction in the number of fatal and major injury accidents of 1% per year over 5 years.
Status #1: In 2007, the state experienced 418 fatal and major injury crashes resulting in a 3.2 % decrease from the prior year, well below the 5-year average of 514.6.

Fatalities and Major Injuries from Accidents

Year	Fatalities	Major Injuries	Combined	Variance
2008	62	0	0	0
2007	82	433	515	.78%
2006	74	437	511	-21.75%
2005	73	580	653	-4.67%
2004	101	584	685	-9.03%
2003	98	655	753	0%
2002	89	664	753	44.25%
2001	89	433	522	0

Methodology: NHTSA, Fatality Analysis Reporting System (FARS)
Source of major injuries information: Alaska DOT&PF, Highway Analysis System (HAS)
Major Injuries information for 2008 and 2009 was not available on 12/15/2009.

Analysis of results and challenges: Fatal and major injury crashes are extremely costly to the individuals involved and society as a whole. Medical costs, lost productivity and the emotional loss are extensive. Society also incurs costs in the form of crash response, public contribution to medical costs and rehabilitation, and even the cost of congestion due to crashes on busy roadways. The National Highway Traffic Safety Administration estimates the total costs of crashes in Alaska as more than $500 million annually; the majority of these costs are the result of crashes involving major injuries and fatalities.

A major injury crash is one in which the most serious injury is incapacitating, including amputation, concussion, internal injury, severe bleeding, moderate or severe burns, a fracture or dislocation.

B1: Strategy - Increase the public's awareness of safe driving habits.

Target #1: Improve voluntary seatbelt use by at least 4% as compared to the 5-year average.
Status #1: The state experienced a 3.03% increase between 2007 and 2008 and another 1% increase between 2008 and 2009 in the voluntary use of seatbelts which was surveyed at approximately 86.1%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008.

Seatbelt Use Rate

Year	YTD Total	Variance
2009	86.1%	1.0%
2008	84.9%	3.03%
2007	82.4%	-.96%
2006	83.2%	6.67%
2005	78%	1.30%
2004	77%	-2.53%
2003	79%	19.70%
2002	66%	4.76%
2001	63%	3.28%
2000	61%	1.67%
1999	60%	5.26%
1998	57%	0

Methodology: Source information is the Annual NOPUS Seatbelt Surveys.
Target is 4% above 5-year average.

Analysis of results and challenges: The Alaska Highway Safety Office is required by federal rules to perform a standardized statewide occupant protection survey each year in order to measure the agency's progress toward eliminating motor vehicle injuries and fatalities.

The Alaska Highway Safety Office strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes, and to reduce the resulting economic losses to the residents of Alaska through outreach programs and federally funded highway safety grant projects.

The agency coordinates highway safety programming focused on public education, enforcement, promotion of new safety technology, integration of public health strategies, collaboration with safety and private sector organizations, and cooperation with state and local governments.

Achieving a high rate of seat belt usage is a low cost means of reducing crash severity to drivers and occupants. A new department goal of being among the top ten states for seat belt compliance creates a moving target, since other states are striving to raise their seat belt compliance rate as well. However, by seeking to be among the top ten states, or in the top 20% of all states, Alaska has set a “stretch goal” which is attainable, and will self adjust to the general trend of greater compliance over time. One of the measures that will help to achieve this goal is heightened enforcement; this is being achieved with the decision to fund the new Alaska Bureau of Highway Patrol (ABHP), a targeted arm of the Alaska State Troopers dedicated to law enforcement on the highway system. Our goal is to be one of the top 10 states in the nation in seat belt usage. Between 2004 - 2008, Iowa was the tenth state in the nation with the highest 5-year average in seat belt usage rate at 9.5%, Indiana was the twentieth state with 85.6% and; Alaska’s rate was 81.1%.

B2: Strategy - Emphasize safety in transportation decision making.

Target #1: A federally reviewed Strategic Highway Safety Plan.
Status #1: The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

Timeline to Complete Strategic Highway Safety Plan

Fiscal Year	Target Date	Actual Date
FY 2007	June 2007	September 2007

Analysis of results and challenges: The U.S. Department of Transportation, through several agencies (FHWA, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration) is requiring each state highway agency to develop a strategic highway safety plan that follows 22 emphasis areas. Such plans are cross-agency in nature, addressing opportunities to positively influence safety through enforcement, engineering, driver behavior, enforcement of driving laws and other strategies. The Division of Program Development will spearhead this effort, but it will eventually involve participation from a wide variety of other internal and external components that also contribute to highway safety.

The plan was completed and approved by the Federal Highway Administration as of September 2007. This met the legal deadline and ensured the Alaska Department of Transportation and Public Facilities will receive approximately $9 million in both 2008 and 2009 to help with safety projects.

In September of 2008, the department held a follow-up meeting of those involved in developing the plan both to measure progress to date and to give support to the many different strategies contained in the plan. One interim metric was that highway fatalities for 2008 were on pace for a record low number in the decade. This low pace of highway fatalities has continued and by all trends, will be among the lowest in state history adjusted for traffic volume.

Regional Support Services Results Delivery Unit

Mission

Provide leadership and accountability of regional activities and to support regional operations with quality procurement and budgetary services.

Core Services

- The Regional Director's Offices provide management oversight of all functions of the organization and act as liaison between divisions and between the department and other agencies and the public.
- The Support Service Offices provide management support and budget coordination to all operating divisions in each region, with additional support to regionally-located staff of Headquarters, statewide divisions and the International Airports.
- The Procurement Offices are responsible for the purchase and delivery of supplies, equipment and services as well as property control.

End Result	Strategies to Achieve End Result
A: Increase cost efficiency of the department. Target #1: Reduce the ratio of administrative overhead to total department costs by 3%. Status #1: There was a 9% decrease in the department's administrative overhead rate between 2009 and 2010.	**A1: Improve procurement processing.** Target #1: Reduce procurement processing time by 10%. Status #1: The time from receipt of stock request to issuance of an order increased from 2.06 days to 2.66 days in 2009. Target #2: No major procurement violations. Status #2: There were no procurement violations noted in FY 2009.

Performance Detail

A: Result - Increase cost efficiency of the department.

Target #1: Reduce the ratio of administrative overhead to total department costs by 3%.
Status #1: There was a 9% decrease in the department's administrative overhead rate between 2009 and 2010.

Indirect Overhead Cost Rate

Fiscal Year	YTD Total	% Change
FY 2010	4.24%	-9%
FY 2009	4.66%	-4.5%
FY 2008	4.88%	-8%
FY 2007	5.28%	+23%
FY 2006	4.30%	+21%
FY 2005	3.55%	-36%
FY 2004	5.50%	0%
FY 2003	5.50%	

Analysis of results and challenges: The department annually prepares an Indirect Cost Allocation Plan (ICAP) according to state and federal guidelines, which is reviewed by internal auditors and approved by the Federal Highway Administration (FHWA). The ICAP develops a rate at which overhead and administrative costs are

distributed to projects. These rates are developed by accumulating indirect costs into cost pools, and then dividing the total indirect costs allocated to the pool by total direct project costs. ICAP rates calculated for FY10 vary between 2% for harbor projects to 4.88% for state highway projects. The federal highway project rate is used for year to year comparisons. FY10 rates were developed based on FY08 actual expenditure data.

The 2010 reduced rate reflects a slight increase in direct charges to Federal Highway funded capital projects.

General administrative activities contained in the indirect costs include such functions as payment processing, supervising employees, program oversight, budget development, liaison with the Legislature, etc. These are necessary functions of the department whether the department has direct oversight of a project or it is contracted. Typically project oversight is charged directly to a project and is not included in indirect costs.

The department will continue to review methods of reducing overhead costs. Developing technological solutions to cumbersome paper processes and eliminating unnecessary tasks are examples of how overhead costs can be reduced. Such a reduction will increase the amount of federal funds available for road and airport construction.

A1: Strategy - Improve procurement processing.

Target #1: Reduce procurement processing time by 10%.
Status #1: The time from receipt of stock request to issuance of an order increased from 2.06 days to 2.66 days in 2009.

Average Days Taken to Process Purchase Requests

Fiscal Year	Central Region	Northern Region	Southeast Region	Department-wide
FY 2009	2.3	2.6	3.1	2.66
FY 2008	1.9	2.48	1.8	2.06
FY 2007	0.51	1.82	1.25	1.29
FY 2006	4.0	3.8	5.0	not available
FY 2005	4.0	3.6	4.8	not available
FY 2004	4.5	3.7	4.5	4.25
FY 2003	not available	not available	not available	9.8
FY 2002	not available	not available	not available	6.1

Methodology: Results are reported on a state fiscal year basis.
FY2006 Southeast Region data identifies only Pilot Program procurements processed through the contractor, Alaska Supply Chain Integrators.
FY2007 results were calculated using data since the transition to the e-procurement system.

Analysis of results and challenges: In 2007 a web based e-procurement system was implemented in all three regions of the Department of Transportation and Public Facilities (DOT&PF). Requisitions are submitted electronically which allows procurement staff the ability to respond many times faster to completed and approved requisitions.

The amount of time it takes to process a procurement varies due to the complexity associated with the dollar limits of various procurements. Generally the majority of procurements fall in the range of $5,000 or less requiring Reasonable and Adequate competition. This area accounts for the greatest decrease in time to process.

"Reasonable and Adequate" competition is required for each expenditure valued at $5,000 or less and involves contacting only one potential vendor in appropriate circumstances. At least three verbal quotations or proposals are required between $5,000 and $25,000; but are often required to be submitted in writing for purposes of clarity and conformance to specifications or scope of services. The Request for Quotation (RFQ) process or Informal Request for Proposals (IRFP) is required for expenditures valued at $25,000 to $50,000 and also requires issuance of the State's Standard Terms and Conditions or General Provisions and written responses from vendors. The formal Invitation to Bid (ITB) or Request for Proposals (RFP) process is required at $50,000 and above, which involves formulating specifications, advertising on the Online Public Notice (OPN), allowing 21 days for solicitation, receiving sealed bids or proposals and providing a ten-day protest period prior to award of a contract.

Construction related procurement processes are more complex and require additional time for processing. Most construction procurements are federally funded which require staff to be knowledgeable of federal regulations.

The e-procurement purchasing and inventory web based software was implemented statewide in February 2007 to produce greater efficiencies in the contracting, procurement and warehouse environments in the Southeast, Central and Northern Regions. Further efficiencies will be obtained by increasing the number of Stock Requests that are submitted and approved online, monitoring problem orders, and addressing individual issues timely.

Target #2: No major procurement violations.
Status #2: There were no procurement violations noted in FY 2009.

Number of Procurement Violations

Fiscal Year	YTD violations	Change from prior year
FY 2009	0	-1
FY 2008	1	+1
FY 2007	0	-1
FY 2006	1	+1
FY 2005	0	0
FY 2004	0	-3
FY 2003	3	-1
FY 2002	4	not available

Analysis of results and challenges: When potential violations are identified, the department investigates and reports them to the Department of Administration, Division of General Services. Recommendations on necessary action to resolve the issue are also provided. Efforts to avoid future violations will include increased emphasis on training procurement and non-procurement staff on state purchasing requirements, and to assure quick distribution of new or revised procurement directives. Concentration on staff training encourages professionalism and accountability, and assures competent individuals are conducting all procurement activities.

State Equipment Fleet Component

Mission

Replace, maintain, and manage state-owned vehicles, equipment, and attachments for safe and appropriate use.

Core Services

- The State Equipment Fleet (SEF) is responsible for the management, maintenance, and inventory of all state vehicles, equipment, and attachments assigned to state executive branch agencies. Vehicle licensing and titling services are also provided to the Legislature, Alaska Court System, University of Alaska, and Alaska Housing Finance Corporation.
- SEF provides maintenance, repair and servicing of state equipment at maintenance and operations shops, remote rural airport stations, and roadside locations throughout Alaska. Preventive maintenance, safety and vehicle emission inspections, parts procurement, and inventory control are provided. Equipment condition is evaluated for the replacement program. New vehicles, equipment, and attachments are received, checked in, made ready for service, and issued to using agencies.
- SEF contracts for vehicle fuel credit card systems for use by state agencies.
- SEF headquarters also develops specifications and purchases new equipment and vehicles for all executive branch agencies and provides administrative support including, but not limited to, policies and procedures, rate setting, computer systems, and training.
- SEF evaluates excess equipment and sells it at auction, negotiates sales to cities and boroughs, or assigns it to an appropriate alternative use.

End Result	Strategies to Achieve End Result
A: Improve customer satisfaction with fleet services. Target #1: Increase customer satisfaction with departmental fleet services by 5% from prior year. Status #1: The customer satisfaction rate remained strong at 4.7 out of 5 for 2006 through 2008.	**A1: Improve the quality of fleet services.** Target #1: Increase all wet vehicle uptime by 2%. Status #1: Although the uptime of all wet vehicles decreased between 2007 and 2008 by .1%, it still remained high at 97.4%. Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days. Status #2: In 2008 the processing of fleet capital purchases increased by an average of 3 days which is a 33.3 % increase, but still a vast improvement over the prior 5 years.
End Result	**Strategies to Achieve End Result**
B: Reduce the annual lifecycle cost of the fleet. Target #1: Reduce the annual lifecycle cost of the fleet by 5%. Status #1: In 2009, the annual lifecycle fleet cost decreased by 2.5% as compared to the prior year.	**B1: Provide efficiencies to reduce fleet costs.** Target #1: Increase preventive maintenance compliance by 5%. Status #1: The percent of preventive maintenance compliance increased by 1% in 2008, but is still below the target of 95%. Target #2: Increase scheduled maintenance to 50% of total maintenance cost. Status #2: The percent of scheduled maintenance

	compared to total maintenance increased by 2% over the prior year, but is still below the target of 50%. **B2: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training during the fiscal year. Status #1: The percent of SEF employees completing required safety training decreased during FY08 by 33% over the prior year, representing a total of 53% completing the training.

Performance Detail

A: Result - Improve customer satisfaction with fleet services.

Target #1: Increase customer satisfaction with departmental fleet services by 5% from prior year.
Status #1: The customer satisfaction rate remained strong at 4.7 out of 5 for 2006 through 2008.

SEF customer satisfaction rates

Fiscal Year	Average Score	% Change
FY 2008	4.7	0%
FY 2007	4.7	0%
FY 2006	4.7	-2%
FY 2005	4.8	+7%
FY 2004	4.5	

Analysis of results and challenges: The evaluation of customer satisfaction provides user agencies a method of direct communication regarding their concerns and issues while also working to educate the customer base about the fleet operation. This communication provides management with a list of positive and negative issues regarding the actual service level or customer satisfaction. Through an ongoing web based survey system, the department seeks feedback on the staff's courtesy, maintenance quality, timeliness, and relaying of information on services provided and general advice. Despite SEF's efforts to increase response by placing the forms on the website; distribute to customers when vehicles are picked up from the shops and during the procurement process for replacing assets, feedback has ranged from sporadic to none. SEF is brainstorming new ways to solicit information through departmental fleet contacts, a new comment section on the web site, and small surveys by the department.

A1: Strategy - Improve the quality of fleet services.

Target #1: Increase all wet vehicle uptime by 2%.
Status #1: Although the uptime of all wet vehicles decreased between 2007 and 2008 by .1%, it still remained high at 97.4%.

Light duty uptime in urban areas

Fiscal Year	YTD Total	% Change
FY 2008	97.40%	-0.1%
FY 2007	97.5%	-0.7%
FY 2006	98.2%	+0.9%
FY 2005	97.3%	-0.5%
FY 2004	97.8%	+0.4%
FY 2003	97.4%	+2.9%
FY 2002	94.7%	+2.7%
FY 2001	92.2%	

Analysis of results and challenges: SEF is responsible for the overall management of the state's vehicle and equipment resources. It is a service organization providing equipment support services to all state agencies. Equipment can't perform its function when it is down for any reason. Fleets must manage this parameter. Downtime of a vehicle can be affected by staffing levels, parts availability, and adequate staff training. Since vehicles are taken offline in order to perform scheduled preventive maintenance, 100% uptime is unattainable. In FY07, SEF had several personnel either retire from state service or transfer to other divisions. This trend continued through FY08 and has left some maintenance shops with a reduced staff, which increased the turnaround time on light duty vehicles. SEF expects to see an increase in uptime in FY09 back to FY06 levels.

Target #2: Reduce the average number of days from purchase requisition to purchase order for capital purchases to 21 days.
Status #2: In 2008 the processing of fleet capital purchases increased by an average of 3 days which is a 33.3 % increase, but still a vast improvement over the prior 5 years.

Days taken to process vehicle purchase orders

Fiscal Year	Average # of Days
FY 2008	12 +33.33%
FY 2007	9 -70%
FY 2006	30 +66.67%
FY 2005	18 -77.5%
FY 2004	80 -3.61%
FY 2003	83 +9.21%
FY 2002	76

Analysis of results and challenges: SEF is the sole procurement authority for vehicles for executive branch agencies. Responsiveness to the purchasing needs of its customers can be measured by the amount of time it takes to change purchase requisitions into purchase orders.

The department has continued to reduce the processing time for these purchases. Initiatives include contracts for repeat purchases, increased communication with user departments and training staff on specification writing for individual procurements. The procurement group continues to improve the response time with the initiative improvements. In FY08, SEF had an increase in the purchasing order process by 3 days, a 33.3% change. Even with multiple year contracts in place that reduce the number of processing days, State Equipment Fleet has experienced delays in customers responding to inquiries regarding vehicle options, attachments, shipping details, and funding sources. Also, SEF has had an increase in the number of specialized vehicle requests and since SEF has only one bid specification writer this slows down the purchasing process.

B: Result - Reduce the annual lifecycle cost of the fleet.

Target #1: Reduce the annual lifecycle cost of the fleet by 5%.
Status #1: In 2009, the annual lifecycle fleet cost decreased by 2.5% as compared to the prior year.

Life cycle fleet costs

Fiscal Year	% change	YTD Total
FY 2009	-2.5%	$8,390
FY 2008	+14%	$8,598
FY 2007	-4%	$7,511
FY 2006	+1%	$7,795
FY 2005	+1%	$7,706
FY 2004	+0%	$7,603
FY 2003	-5%	$7,599
FY 2002	-1%	$8,037
FY 2001	+3%	$8,098
FY 2000	-2%	$7,869
FY 1999		$8,025

Methodology: Target is 5% reduction in cost. Target for FY2009 $8,168.
Data in table represents the annual life cycle cost of an average fleet asset.

Analysis of results and challenges: Whether they are managing a private or government fleet, all managers have a common interest in the cost of operating the equipment in their control. Management has the responsibility to ensure vehicle costs are reviewed, goals are established, and comparisons are made with prior years.

Components to life cycle costs trends include: general inflation, labor contract provisions, rate methodologies, organization, depreciation, SEF labor, repair parts, and fuel prices. In FY09, the life cycle fleet annual costs per unit was $8,390 or a decrease of 2.5% from FY08. This decrease was due to a loss on salvage values for disposed vehicles and an increase in asset management fees charged for non-HEWCF assets or labor performed. In addition, SEF incurred a 13% increase in fuel expenditures for the fiscal year, which affects all aspects of the fleet's operations including the cost of shipping (freight, delivery services, and postage), parts, and travel.

B1: Strategy - Provide efficiencies to reduce fleet costs.

Target #1: Increase preventive maintenance compliance by 5%.
Status #1: The percent of preventive maintenance compliance increased by 1% in 2008, but is still below the target of 95%.

Preventative maintenance compliance

Fiscal Year	YTD Total	% change	Target
FY 2008	91%	1.11%	95%
FY 2007	90%	-1.0%	95%
FY 2006	91%	3.4%	95%
FY 2005	88%	-1.1%	95%
FY 2004	89%	1.1%	90%
FY 2003	88%	2.2%	85%
FY 2002	90%		80%

Analysis of results and challenges: State Equipment Fleet continues to track preventive maintenance activities. As of early August 2008, the Districts are experiencing 86.24 to 93.68 percent compliance with preventive maintenance schedules.

Preventative maintenance is a critical aspect of efficient fleet management. Regularly scheduled service and inspection of vehicles and equipment is the cornerstone of maintaining fleet safety, maintaining maintenance and operation integrity, and controlling maintenance costs. The main components of a preventive maintenance service program are regularly pre-determined inspections including lubrication and service. Adherence to these schedules will help extend machine service life, improve availability and reliability, and reduce major component repair and replacement expenses.

Barriers to reaching or surpassing this measure include the failure of the user agency to bring the vehicle in for preventive maintenance when requested by State Equipment Fleet and the inability of the user agency to bring the vehicle in if it is being used during the state's limited construction season. The latter can be alleviated by scheduling non-critical preventive maintenance at the end of the construction season or during the winter months when the vehicle is not in use. SEF continues to post the preventive maintenance schedule on the web site and is working with user agencies on compliance. In FY08 staffing challenges, decreased travel due to budgetary concerns, and access to rural airports due to bad weather conditions directly affected the ability to meet the 95% goal. However, there has been an improvement in the preventive maintenance rate, which will continue in FY09.

Target #2: Increase scheduled maintenance to 50% of total maintenance cost.
Status #2: The percent of scheduled maintenance compared to total maintenance increased by 2% over the prior year, but is still below the target of 50%.

Percent of maintenance that is scheduled

Fiscal Year	YTD Total
FY 2008	46.0%
FY 2007	44.0%
FY 2006	45.5%
FY 2005	43.7%
FY 2004	40.6%
FY 2003	38.1%
FY 2002	39.1%

Methodology: Target is 50%.

Analysis of results and challenges: The amount of scheduled maintenance is an indicator of the amount of control that management has over the inspection and repair of the fleet. This is mostly a preventative maintenance compliance and quality issue. Both can be improved through SEF management attention. Education of users is being implemented to improve preventative maintenance compliance. In general, management and supervision should be scheduling 50 percent or more of the workload. Initiatives put in place to increase the preventive maintenance compliance will have a direct effect on this target as well.

The Equipment Management System and work orders have been modified to track all scheduled maintenance activities. This will allow for improved tracking of non-scheduled vs. scheduled maintenance. The challenges in meeting the department's target include staffing levels, especially in areas where SEF supports rural airports.

B2: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training during the fiscal year.
Status #1: The percent of SEF employees completing required safety training decreased during FY08 by 33% over the prior year, representing a total of 53% completing the training.

Percent of employees completing training

Fiscal Year	YTD Total
FY 2008	53%
FY 2007	86%
FY 2006	85%
FY 2005	75%
FY 2004	10.9%
FY 2003	11.5%

Analysis of results and challenges: The department has a safety program focused on reducing accidents and workers compensation claims. The department's safety manual includes the required safety training elements.

It has taken time and resources to identify and document the safety training information for all department staff. The FY03 and FY04 data relates only to employees' participation in department safety meetings. SEF established a

training database in late FY06 to better track all training employees receive throughout the year. In FY08, 53% of SEF Labor, Trades and Crafts employees took at least one safety training class. The reasons for the decrease include: many employees have taken most or all of the courses on the safety training list and therefore did not need additional training this year; turnover in mechanics has hampered sending employees to safety training as employees are concentrating on daily basic job duties; the cost of travel has deterred some training opportunities; and the challenges in obtaining attendance information for employees that participate in monthly safety training meetings throughout the state.

Statewide Facility Maintenance and Operations Results Delivery Unit

Mission

Provide cost-effective, environmentally sound and reliable public facilities.

Core Services

- Provide preventative maintenance, routine maintenance, repair work, and minor construction for nearly 700 state facilities totaling about 2.3 million square feet.
- Furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
- Perform or procure contracts for remodeling and repairs required by building occupants or needed to meet changing building codes and new regulations such as the Americans with Disabilities Act.
- Provide and procure contracts for major maintenance, including renewal and replacement of worn-out, inefficient and outdated building components, mechanical systems, flooring, ceilings, windows, and window and wall coverings.

End Result	Strategies to Achieve End Result
A: Maintain state-owned facilities to appropriate department standards. Target #1: Increase customer satisfaction with department facilities to 80%. Status #1: The percent of Facilities' satisfied customers increased from 83% in FY08 to 84% in FY09.	**A1: Improve the quality of facilities.** Target #1: Complete 90% of all work requests on time. Status #1: In 2009, the Facilities staff completed 87% of work requests in a timely manner, which was an increase from the completion rate in 2008 of 84%. **A2: Reduce facility operating costs with new technologies and system upgrades.** Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades. Status #1: In 2009, the percentage of expenditures specifically for energy saving upgrades was slightly higher than the target of 2%. Target #2: Increase preventative maintenance on-time completion to 90%. Status #2: Timely preventative maintenance increased from 88% in 2008 to 89% in 2009 which is on track for maintaining the target of 90% for this measure. **A3: Carry out safe operations.** Target #1: 10% increase in employees successfully completing required safety training. Status #1: In 2008 87% of all Facilities staff completed their required safety training.

Performance Detail

A: Result - Maintain state-owned facilities to appropriate department standards.

Target #1: Increase customer satisfaction with department facilities to 80%.
Status #1: The percent of Facilities' satisfied customers increased from 83% in FY08 to 84% in FY09.

Customer Satisfaction

Fiscal Year	YTD Total
FY 2009	84%
FY 2008	83%
FY 2007	88%
FY 2006	83%
FY 2005	85%

Methodology: Results are reported on a fiscal year basis.

Analysis of results and challenges: The Department of Transportation and Public Facilities (DOT&PF) managed facilities are used not only by department personnel but also by many other state departments. An annual survey is conducted of state facility occupants. The positive result from this survey indicates that the occupants of state facilities managed by DOT&PF are satisfied with the services provided by the department. Crews have been working diligently on deferred maintenance projects and emergency work requests repairing damage from vandalism, floods, and lightning strikes. Other state departments are providing funding for some capital projects that upgrade some of these facilities. The occupants' responses may be reflective of improvements provided in FY07 and FY08.

It is clearly evident that customer satisfaction is linked to the service attitude of facilities staff and the development of user agreements that identify the expected level of service. The department receives numerous compliments from user agencies after work is completed. Our goal is to continue to achieve satisfactory ratings from other agencies and provide useful work environments for state agencies.

The statistics reflect only Central and Northern Region facility management. Southeast Region will begin customer satisfaction surveys as part of their implementation of the department's facilities maintenance management system.

A1: Strategy - Improve the quality of facilities.

Target #1: Complete 90% of all work requests on time.
Status #1: In 2009, the Facilities staff completed 87% of work requests in a timely manner, which was an increase from the completion rate in 2008 of 84%.

Percentage of work order requests completed timely

Fiscal Year	YTD Total
FY 2009	87%
FY 2008	84%
FY 2007	90%
FY 2006	69%
FY 2005	85%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Our preventative maintenance continued to be the focus of a major effort in FY09 and we've seen improvements in on-time completion of preventative maintenance items which contribute to building system reliability. Work completion rates were also reviewed, discussed with our customers and lengthened to be more realistic. Tracking work order completion rates is a useful tool for managers to determine how long it takes to complete the work requested. On-time completion means within 24 hours of notification for emergency or urgent type work orders. For routine work orders, discussions with the requestor results in an expected completion date. That date is entered into the maintenance database as the scheduled completion date. Anything that is completed prior to or by the expected completion date is considered "on time". Preventative maintenance tasks are

prescheduled work orders and are set up by frequency, i.e., monthly, quarterly, annually, etc.

A2: Strategy - Reduce facility operating costs with new technologies and system upgrades.

Target #1: Expend 2% of the annual operating budget (minus utilities) for energy saving upgrades.
Status #1: In 2009, the percentage of expenditures specifically for energy saving upgrades was slightly higher than the target of 2%.

Expenditures for Energy Saving Upgrades

Fiscal Year	YTD Total
FY 2009	2.5%
FY 2008	5.7%
FY 2007	2.0%
FY 2006	4.2%
FY 2005	2.9%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Increasing expenditures in energy conservation measures are extremely important in light of energy cost fluctuations and increases. High efficiency lighting, direct digital control systems for environmental control, building envelope insulation upgrades, occupancy sensors for lighting and Heating, Ventilation and Air Conditioning (HVAC) control, and high efficiency window and door systems all contribute to reducing energy consumption.

Target #2: Increase preventative maintenance on-time completion to 90%.
Status #2: Timely preventative maintenance increased from 88% in 2008 to 89% in 2009 which is on track for maintaining the target of 90% for this measure.

Percent of preventative maintenance completed timely

Fiscal Year	YTD Total
FY 2009	89%
FY 2008	88%
FY 2007	95%
FY 2006	84%
FY 2005	95%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: The Facilities Maintenance Management System is automatically generating preventative maintenance (PM) schedules. PMs are prescheduled work orders and are set up by frequency, i.e., monthly, quarterly, annually, etc. An annual schedule is developed for all the equipment requiring PMs based on the manufacturers recommendations. This is proving to be a valuable tool as crews are receiving reminders and schedules for PM work. Timely PM's will result in reduced breakdowns, crew call outs and replacement costs.

A3: Strategy - Carry out safe operations.

Target #1: 10% increase in employees successfully completing required safety training.
Status #1: In 2008 87% of all Facilities staff completed their required safety training.

Percent of employees completing required safety training

Fiscal Year	YTD Total
FY 2008	87%
FY 2007	100%
FY 2006	100%
FY 2005	100%

Methodology: Results are reported on a state fiscal year basis.

Analysis of results and challenges: Both the crews and the management of Facilities Maintenance realize the importance of a safe work environment and undertook the initiative to promote safety seriously. This measures mandatory first aid, cardiopulmonary resuscitation (CPR) and safety meeting attendance.

Ted Stevens Anchorage International Airport Results Delivery Unit

Mission

The mission of the Ted Stevens Anchorage International Airport (ANC) is to safely, effectively, and efficiently operate and maintain the airport consistent with federal regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Airport police and fire protection.
- Airfield and equipment maintenance.
- Land and airside operational monitoring, health and safety, security and control operations.
- Facilities maintenance.
- Airport administration, marketing, development, environmental, leasing, information systems, engineering, planning, noise program, and public relations.

End Result	Strategies to Achieve End Result
A: Safe operations on the airports. Target #1: Reduce the rate of public injuries and incidents per enplaned passenger. Status #1: The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008. Target #2: Reduce the number of occupational injuries and illnesses to less than the national average. Status #2: The incidence rate of occupational injuries and illnesses decreased from 6.7% in 2006 to 5.1% in 2007, but remained below the national average of 6.7%. Target #3: Reduce employee lost time to zero. Status #3: In 2007 the number of days of employee lost time due to work-related injuries decreased to 106 from 261 in 2006. Target #4: Reduce property damage to zero. Status #4: The amount of property damages increased to $71,100 in FY2008, an increase of 62.4% over the prior year.	**A1: Maximize the safety and security of the traveling public.** Target #1: 100% compliance with American with Disabilities (ADA) requirements. Status #1: For the 4th year in a row the airport met all ADA compliance requirements. Target #2: Maintain roads and sidewalks so they are accident/incident free. Status #2: The number of accidents/incidents on airport maintained roads and sidewalks decreased from nine in FY2007 to seven in FY2008. Target #3: Reduce complaints regarding signage. Status #3: The number of complaints regarding signage decreased from 10 in FY2007 to 8 in FY2008. Target #4: Maintain adequate runway conditions to avoid airport closure. Status #4: For the 3rd year in a row the Anchorage Airport had no closures due to acts of nature. Target #5: Provide adequate law enforcement officer/medical emergency response within federal requirements. Status #5: For the 4th year in a row the airport law enforcement officer/medical emergency response time averaged less than 2 minutes per incident, which is well within the goal of 10 minutes. **A2: Improve compliance with applicable safety codes.** Target #1: Receive zero violations related to state and

	federal safety codes. Status #1: The airport received 0 safety related Notice of Violation in FY2008 which was a decrease of 1 over FY2007.
End Result	**Strategies to Achieve End Result**
B: Customer satisfaction. Target #1: Reduce the number of negative comment cards from any airport customer or tenant regarding the airport facilities, operations and/or environment. Status #1: The number of negative comment cards decreased from 57 in FY2007 to 48 in FY2008. Target #2: 90% of concessionaires and airlines participating in an airport-wide program to enhance customer satisfaction. Status #2: In FY2007 there was 53% of all concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction, the percentage increased to 66% in FY2008. Target #3: Resolve at least 90% of all problem work order requests. Status #3: In FY2008, 98.2% of all problem work orders were resolved.	**B1: Improve maintenance activities so facilities are clean, well kept and stocked.** Target #1: Respond to all requests within 3 business days. Status #1: For the 5th year in a row the airport staff responded to maintenance requests within an average of 1 day, which is well within the 3-day goal. **B2: Minimize negative airport impact.** Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 75% of the night operations at the airport. Status #1: The airport used preferential runways at least 75% of the time in FY2008 to minimize noise impact on the surrounding communities during night operations.
End Result	**Strategies to Achieve End Result**
C: Optimize revenue. Target #1: Increase concession revenue by 1% per year. Status #1: In FY2008 the Anchorage Airport increased concessionaire revenues by 3.1%. Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight. Status #2: Personnel costs per 1,000 pounds of take-off weight increased from $815 in FY2007 to $921 in FY2008.	**C1: Opportunities for multiple revenue sources.** Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years. Status #1: Since 2004 there have been enough building permits issued that would indicate the airport will meet this target well before 2014.
End Result	**Strategies to Achieve End Result**
D: Regulatory compliance at all levels. Target #1: Pass annual FAA (Federal Aviation Administration) Airport Certification Part 139 inspections. Status #1: The Anchorage International Airport (ANC) passed the FAA Airport Certification Part 139 inspections for the past five years.	**D1: Improve environmental conditions at the airport.** Target #1: Zero environmental Notices of Violation (NOVs). Status #1: For the sixth year in a row the Anchorage Airport had no NOVs for environmental issues.
End Result	**Strategies to Achieve End Result**
E: Economic development. Target #1: 2% increase in private investment at the	**E1: Improve marketing efforts for private sector development.**

airports per year. Status #1: Private investment increased by 16% in FY2008 over FY2007. Target #2: Increase international cargo aircraft landed weight by 1% per year. Status #2: In FY2008 international cargo aircraft landed weight decreased by 6.31% over the prior year.	Target #1: Increase private sector contracts by 2% per year. Status #1: The number of private sector contracts increased in FY2008 by 7.6% to a total of 384 contracts.

Performance Detail

A: Result - Safe operations on the airports.

Target #1: Reduce the rate of public injuries and incidents per enplaned passenger.
Status #1: The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008.

Total number and rate of public injuries and incidents per 100,000 enplaned passengers.

Fiscal Year	Total #	Rate	Total Enplaned Passenger
FY 2008	30	1.2%	2,562,276
FY 2007	41	1.7%	2,429,480
FY 2006	87	3.6%	2,408,171
FY 2005	45	1.9%	2,392,920
FY 2004	58	2.6%	2,250,680

Methodology: Data is reported on a fiscal year basis.

Analysis of results and challenges: Safety and security of the traveling public is the number one priority at the airport. Through investigations incident causes and locations are determined and corrective action is taken. Also, prevention maintenance such as sanding/salting roads and walkways is a constant winter activity at the airport. Injuries are reported through dispatch operations, and figures include incidents where someone files a claim.

Target #2: Reduce the number of occupational injuries and illnesses to less than the national average.
Status #2: The incidence rate of occupational injuries and illnesses decreased from 6.7% in 2006 to 5.1% in 2007, but remained below the national average of 6.7%.

Incidence rate (number of injuries and illnesses x 200,000/total hours worked per period).

Year	YTD Total	Nat'l Average
2007	5.1%	6.7%
2006	6.7%	10.5%
2005	3.3%	11%
2004	6.7%	10.1%

Methodology: This measure is reported on a calendar year basis.

Analysis of results and challenges: The airport has written site-specific programs for facilities, operations, field maintenance and police/fire. Safety meetings are conducted weekly to review the safety manual, safety issues, preventive maintenance, etc. Monthly, on average, the Safety and Health Program Coordinator e-mails Safety Reminders to all employees. These reminders include subjects such as ladder safety, seasonal celebration safety, chain saw safety, aerial lift safety, etc.

This is measured annually (calendar year basis) from Occupational Safety and Health Administration (OSHA) 300 logs and compared to most recent National Average for Air Transportation from the U.S. Department of Labor Bureau of Labor Statistics.

Target #3: Reduce employee lost time to zero.
Status #3: In 2007 the number of days of employee lost time due to work-related injuries decreased to 106 from 261 in 2006.

Number of hours of employee lost time due to work-related injuries

Year	YTD Total
2007	106 -59.39%
2006	261 -45.96%
2005	483 +312.82%
2004	117 -71.32%
2003	408

Methodology: Measured annually (calendar year basis) from OSHA 300 logs (# days away from work).

Analysis of results and challenges: Statistics are kept showing recordable injuries and then these injuries are broken down into causes (slip/fall, struck by/against, caught in/under/between, cut/scrape, strain, heat/cold, motor vehicle, and illness). To assist the employee, the airport tries to locate jobs the injured worker can perform (i.e., assisting the Safety Officer, data entry, parts ordering, etc.). To increase employee awareness and behavior regarding work related injuries, safety emails are sent to all employees on a regular basis (monthly); and, sections hold bi-weekly safety meetings. Also, a 10 hour work safety class is being offered by the Safety & Health Program Coordinator. Section managers will be requested to schedule this training.

Target #4: Reduce property damage to zero.
Status #4: The amount of property damages increased to $71,100 in FY2008, an increase of 62.4% over the prior year.

Property damage amounts per year

Fiscal Year	YTD Total	% change
FY 2008	$71,100	62.4%
FY 2007	$43,775	33.6%
FY 2006	$32,770	-32.4%
FY 2005	$48,500	-65%
FY 2004	$138,695	+5.4%
FY 2003	$131,625	

Analysis of results and challenges: All damage of property includes vehicles, fences, and building damage reported to Airport Police. The information is collected from the airport police logs based on calls for service. The amounts reflected are for damages to state property, but not all of the incidents are the responsibility of the state to repair/replace. For example, a driver hits a portion of the perimeter fence; the driver is responsible for the repair cost of the fence. To prevent property damages, officers patrol the terminals and roadways to find hazards that could promulgate damage to state property. For example, calling for sand on slick roadways to avoid vehicles hitting the fence.

Total for FY03 $131,625, 59 incidents at average cost of $2,231.
Total for FY04 $138,695, 40 incidents at average cost of $3,467.
Total for FY05 $48,500, 52 incidents at average cost of $932.
Total for FY06 $32,770, 50 incidents at average cost of $655.
Total for FY07 $43,775, 69 incidents at average cost of $634.
Total for FY08 $71,100, 41 incidents at average cost of $1,734.

A1: Strategy - Maximize the safety and security of the traveling public.

Target #1: 100% compliance with American with Disabilities (ADA) requirements.
Status #1: For the 4th year in a row the airport met all ADA compliance requirements.

Percent of airport facilities in compliance with ADA.

Fiscal Year	Percent
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%
FY 2004	75%

Analysis of results and challenges: In FY08, two ADA issues were resolved; one public restroom in lower Concourse A was brought to ADA compliance and airline gate C9 in Concourse C public door was automated for accessibility.

The Americans with Disabilities Act of 1990 requires access to buildings and facilities by individuals with disabilities. These scoping and technical requirements must be applied during the design, construction, and alteration of buildings and facilities that serve the general public. In FY07, the North and South Terminal restroom renovation was completed on boarding levels and South Terminal road grade and curbs were modified to increase ADA accommodations.

Target #2: Maintain roads and sidewalks so they are accident/incident free.
Status #2: The number of accidents/incidents on airport maintained roads and sidewalks decreased from nine in FY2007 to seven in FY2008.

Number of accidents/incidents on airport maintained roads and sidewalks.

Fiscal Year	YTD Total
FY 2008	7 -22.22%
FY 2007	9 -40%
FY 2006	15 -74.14%
FY 2005	58 +41.46%
FY 2004	41

Methodology: This measure is reported on a fiscal year basis.

Analysis of results and challenges: This measures how well we keep roads and sidewalks free of ice and snow. Data is gathered based on claims and police reports. Speed limits will be enforced and concrete areas will be sanded/salted to help prevent incidents.

Target #3: Reduce complaints regarding signage.
Status #3: The number of complaints regarding signage decreased from 10 in FY2007 to 8 in FY2008.

Number of complaints regarding signage

Fiscal Year	YTD Total
FY 2008	8 -20%
FY 2007	10 +100%
FY 2006	5 +25%
FY 2005	4 -78.95%
FY 2004	19

Methodology: Measure is reported on a fiscal year basis.

Analysis of results and challenges: Signage includes outside and inside the terminals. Walk arounds to check signage are done by facilities staff, the sign shop, leasing staff, as well as by the airport manager. Customer suggestion boxes, which are a mechanism to register a complaint or suggestion, are throughout the terminals, at the shuttle bus stops, or a customer can call Operations or Safety. Comment cards from the customer suggestion boxes are tracked by the public relations staff and deputy director. When applicable, responses are sent to the customer. All customer comments are considered and reasonable changes regarding signage are made.

Target #4: Maintain adequate runway conditions to avoid airport closure.
Status #4: For the 3rd year in a row the Anchorage Airport had no closures due to acts of nature.

Number of hours the airport is closed due to acts of nature

Year	Total
2007	0
2006	0
2005	0
2004	0
2003	10

Methodology: This measure is reported on a fiscal year basis.

Analysis of results and challenges: In 2003 the control tower had to be evacuated due to high winds and the airport was closed for 10 hours. During such a closure, aircraft are diverted to Fairbanks or they stay where they are until we re-open. The airport has won the International Balchen Post Award (large airport category) for Best Snow and Ice Control Teams six out of the last eleven years and three years Honorable Mention. The airport's goal is to allow no more than 12 hours of complete runway closure per year.

Target #5: Provide adequate law enforcement officer/medical emergency response within federal requirements.
Status #5: For the 4th year in a row the airport law enforcement officer/medical emergency response time averaged less than 2 minutes per incident, which is well within the goal of 10 minutes.

Average law enforcement officer/medical emergency response time

Fiscal Year	Total
FY 2008	Less than 2 minutes
FY 2007	Less than 2 minutes
FY 2006	Less than 2 minutes
FY 2005	Less than 2 minutes
FY 2004	Less than 2 minutes

Analysis of results and challenges: Airport Police and Fire officers responded to 429 calls for medical assistance in FY08. There are four police officers and one mobile fire/medical response unit available on a 24/7 basis. Federal Acquisition Regulation (FAR) Part 139 requires officers on duty to be qualified as an Emergency Trauma Technician, Transportation Security Regulation (TSR) Part 1542 requires officers to provide basic first aid. Airport terminals have first aid kits and Automated External Defibrillators (AEDs) in various, strategic locations throughout the terminals to facilitate a more rapid response for medical assistance.

The airport's goal is maintain an average response time of ten minutes or less.

A2: Strategy - Improve compliance with applicable safety codes.

Target #1: Receive zero violations related to state and federal safety codes.
Status #1: The airport received 0 safety related Notice of Violation in FY2008 which was a decrease of 1 over FY2007.

Number of safety related Notice of Violations (NOVs)

Fiscal Year	Total
FY 2008	0
FY 2007	1
FY 2006	0
FY 2005	0
FY 2004	1

Analysis of results and challenges: Measured on a fiscal year basis. This target addresses compliance with building, electrical, fire and other applicable safety codes. Airport Facilities received one safety violation in FY2004 regarding failure to have adequate documentation regarding training performed in response to an employee complaint and subsequent inspection. The violation was resolved and training shown to actually have had occurred as required. Airport Facilities received one state safety violation in FY2007 regarding missing machine guards on the old bag belt system. The violation was resolved and guards have been installed.

B: Result - Customer satisfaction.

Target #1: Reduce the number of negative comment cards from any airport customer or tenant regarding the airport facilities, operations and/or environment.

Status #1: The number of negative comment cards decreased from 57 in FY2007 to 48 in FY2008.

Number of negative comment cards regarding airport facilities, operations and/or environment including tenants

Fiscal Year	Total
FY 2008	48 -15.79%
FY 2007	57
FY 2006	n/a

Analysis of results and challenges: Customer suggestion boxes are throughout the terminals, at the shuttle bus stops, or a customer can call Operations or Safety for a card. These are easily available for tenants, flight crew, concessionaires, as well as the passengers. To improve services, the airport will pay more attention to temperature, cleanliness, appearance in the terminals.

Target #2: 90% of concessionaires and airlines participating in an airport-wide program to enhance customer satisfaction.

Status #2: In FY2007 there was 53% of all concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction, the percentage increased to 66% in FY2008.

Percent of concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction

Fiscal Year	Percent
FY 2008	66%
FY 2007	53%
FY 2006	90%
FY 2005	35%

Methodology: Measured on a fiscal year basis.

Analysis of results and challenges: It takes but one experience at the airport to spoil a visitor's whole day. Excellent service from entry to exit, on the other hand, wins repeat customers. The current program to measure is the Airport Mystery Shopper Program. The program was started in FY2005 and fully implemented by FY2006 (reflecting a large increase in participation from FY2005 to FY2006). In FY2007, out of a possible 32, there were 17 participants; in FY2008 out of 32 possible there were 21 participants, an increase of 4.

Target #3: Resolve at least 90% of all problem work order requests.
Status #3: In FY2008, 98.2% of all problem work orders were resolved.

Number of Work Orders

Fiscal Year	Opened	Closed	% Resolved
FY 2008	511	502	98.2%

Analysis of results and challenges: This performance measure was added in FY2008. The Information Technology requirements have increased airport wide. Challenges exist not only budgetarily but also in meeting all the user and project needs. Often, problem work order requests will require updated software, maintenance and/or new equipment. Work orders are generated by tenants of the airport, airlines, passengers, and/or other airport sections. Examples of work order requests include problems with the Multi-User Flight Information Displays System (MUFIDS) - airlines schedule display, wireless connections inside the airport and printer connections.

B1: Strategy - Improve maintenance activities so facilities are clean, well kept and stocked.

Target #1: Respond to all requests within 3 business days.
Status #1: For the 5th year in a row the airport staff responded to maintenance requests within an average of 1 day, which is well within the 3-day goal.

Average number of days taken to respond to maintenance requests.

Fiscal Year	Total
FY 2008	1
FY 2007	1
FY 2006	1
FY 2005	1
FY 2004	1
FY 2003	0

Analysis of results and challenges: The Anchorage International Airport (ANC) is a 24-hour a day, 7 days a week operation and must be able to respond to inquiries as soon as possible. We have over 5 million passengers/customers go through our facilities each year that expect a good level of service. Data is collected from the Help Line Log at ANC. Normal response time is within 24 to 72 hours.

B2: Strategy - Minimize negative airport impact.

Target #1: Minimize noise impact on surrounding communities through the use of preferential runways for at least 75% of the night operations at the airport.
Status #1: The airport used preferential runways at least 75% of the time in FY2008 to minimize noise impact on the surrounding communities during night operations.

Percent of departures using preferential runways

Fiscal Year	Total
FY 2008	77%
FY 2007	73%
FY 2006	75%
FY 2005	75%
FY 2004	100%

Methodology: Reported on a fiscal year basis.

Analysis of results and challenges: A preferential runway is the runway that when used, would have the least noise impact on the surrounding communities. The majority of noise complaints are during the night operations.

Notification is given through newspaper notices and/or nearby community mailing lists when a preferential runway cannot be used, such as for scheduled construction. Issues such as unanticipated weather changes could cause a change from a preferential runway without notice. This is reported on a fiscal year basis. Information comes from the daily operations shift summaries. For FY2008, out of approximately 200,000 take offs in the year, only two times was a non-preferential runway not used.

C: Result - Optimize revenue.

Target #1: Increase concession revenue by 1% per year.
Status #1: In FY2008 the Anchorage Airport increased concessionaire revenues by 3.1%.

Percent change in concession revenue

Fiscal Year	Concession Revenue Total	% Change in Revenue
FY 2008	8,588,200	3.1%
FY 2007	8,332,200	17.2%
FY 2006	7,109,700	-23%
FY 2005	9,236,700	31.8%
FY 2004	7,006,500	-10%
FY 2003	7,775,700	

Analysis of results and challenges: Increased concession revenue allows other airport fees (terminal rent and landing fees) to remain low enough to continue to make the airport attractive to air carriers. The dramatic changes from 2005 to 2006 reflect an accounting transaction error when revenue was allocated to a specific fiscal year. Specifically, the decrease in revenue is a result of a dramatic drop in declining international passengers (due to Severe Acute Respiratory Syndrome [SARS], war and the economy). The airport continues to generate additional concession revenue in the South Terminal; however the decline in international passengers (thus the drop in duty free concessionaire revenue) is difficult to overcome with the modest increases in the South Terminal revenues.

Target #2: Keep constant or decrease personnel costs per 1,000 pounds of take-off weight.
Status #2: Personnel costs per 1,000 pounds of take-off weight increased from $815 in FY2007 to $921 in FY2008.

Personnel costs per 1,000 of take-off weight

Fiscal Year	YTD Total
FY 2008	921 +13.01%
FY 2007	815 +5.3%
FY 2006	774 +6.46%
FY 2005	727 -6.07%
FY 2004	774 +1.04%
FY 2003	766

Methodology: Measure is calculated on a fiscal year basis.

Analysis of results and challenges: While the number of passengers and operations are expected to increase each year, a more accurate measurement of the efficiency of the airport staff is the cost of operating the airport per 1,000 pounds of Certified Maximum Gross Takeoff Weight (passenger and cargo).

C1: Strategy - Opportunities for multiple revenue sources.

Target #1: Secure major development (>$10 million in total anticipated capital investment) every 10 years.
Status #1: Since 2004 there have been enough building permits issued that would indicate the airport will meet this target well before 2014.

Cumulative investment dollars since 1994

Year	Total
2004	$193,892,735

Analysis of results and challenges: Each calendar year, the last 10 years of private construction investments are totaled and compared to our target of $10 million. The investment information is based on Anchorage International Airport (ANC) building permits. Private investment in permanent facilities at ANC represents a key factor in the city's and state's economic development. Market driven private investment in construction dollars, maintenance and operations, and net increases in jobs from construction and operations is a quantitative measure of economic growth or decline. New private cargo hardstands are being built to meet anticipated growth in flight activity. Flight activity in turn generates landing fees, fuel flowage fees and other airport revenues. In 2006-2007 two express cargo carriers each built a major ground service equipment maintenance facility costing over $5 million each, totaling approximately $10 million. A corporate/general aviation facility costing approximately $4 million is under construction and a second of approximately the same cost was permitted for construction.

D: Result - Regulatory compliance at all levels.

Target #1: Pass annual FAA (Federal Aviation Administration) Airport Certification Part 139 inspections.
Status #1: The Anchorage International Airport (ANC) passed the FAA Airport Certification Part 139 inspections for the past five years.

Outcome of Part 139 inspections

Year	YTD Total
2007	Pass
2006	Pass
2005	Pass
2004	Pass
2003	Pass

Methodology: Measured on a calendar year basis.

Analysis of results and challenges: As federally assisted airports, we must comply with all operational and airfield requirements of FAA. We must pass an annual certification inspection. Typically, there can be minor discrepancies discovered during certification inspections that do not affect the passing results. ANC has passed each year to date, with no major discrepancies, and any minor discrepancies were resolved.

D1: Strategy - Improve environmental conditions at the airport.

Target #1: Zero environmental Notices of Violation (NOVs).
Status #1: For the sixth year in a row the Anchorage Airport had no NOVs for environmental issues.

Number of environmental Notice of Violations

Fiscal Year	Number
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0
FY 2003	0

Analysis of results and challenges: Anchorage International Airport must comply with all environmental regulations, including activities, property and facilities managed by the airport.

E: Result - Economic development.

Target #1: 2% increase in private investment at the airports per year.
Status #1: Private investment increased by 16% in FY2008 over FY2007.

Amount invested compared to the prior year

Fiscal Year	YTD Total
FY 2008	19,173,261 +16.37%
FY 2007	16,475,561 -76.35%
FY 2006	69,658,915 +275%
FY 2005	18,575,667 +71.55%
FY 2004	10,828,440 +17.02%
FY 2003	9,253,506

Methodology: Measured annually from the dollar amount of permanent improvements to leaseholds as requested on airport tenant improvement building permits.

Analysis of results and challenges: Buildings are being constructed such as new cargo facilities, remodeling passenger hangars to upgrade and/or accommodate aircraft requirements, adding aircraft fueling facilities, etc. This aviation development reflects support of statewide business activity and in some cases response to national and international aviation business. To bring in more private investment, the airport is in constant contact with airlines, third party developers, support businesses, organizations such as Airports Council International (ACI) and its sister organizations, the International Air Cargo Association (TIACA), and Alaska Economic Development Corporation (AEDC), Anchorage Air Cargo Association and local Chambers of Commerce. The large increase from 2005 to 2006 reflects the Rental Car Garage Facility at $65M increase alone.

Target #2: Increase international cargo aircraft landed weight by 1% per year.
Status #2: In FY2008 international cargo aircraft landed weight decreased by 6.31% over the prior year.

International cargo aircraft weight

Fiscal Year	YTD Total
FY 2008	20,201,526 -6.31%
FY 2007	21,563,063, +4.28%
FY 2006	20,677,555 +5.02%
FY 2005	19,688,422 +5.05%
FY 2004	18,742,394 +2.04%
FY 2003	18,367,299

Analysis of results and challenges: Marketing continues to actively pursue additional cargo traffic through the Ted Stevens Anchorage International Airport (ANC). Future cargo activity will be mainly driven by the growth in the China air cargo market. All U.S. cargo carriers operating on this route have designated Anchorage as their U.S. departure point. We do, however, continue to face challenges from other airports attempting to draw our cargo traffic to other hubs by offering free landing fees and other incentives. Landed cargo weight is an industry benchmark for ranking airports. Since ANC is heavily dependent on cargo traffic for revenue generation, tracking this item is appropriate. ANC is the number 1 airport in the U.S. for landed weight of cargo aircraft and number 3 in the world for cargo

throughput.

E1: Strategy - Improve marketing efforts for private sector development.

Target #1: Increase private sector contracts by 2% per year.
Status #1: The number of private sector contracts increased in FY2008 by 7.6% to a total of 384 contracts.

Private sector contracts

Fiscal Year	# of contracts
FY 2008	384 +7.56%
FY 2007	357 +20.61%
FY 2006	296 +3.14%
FY 2005	287 +5.51%
FY 2004	272 +2.26%
FY 2003	266

Methodology: Measured by the number of active contracts included in the Leasing/Property subsystem.

Analysis of results and challenges: The Anchorage International Airport is a self-sustaining facility and in order to remain so, revenues need to increase by attracting new carriers, tenants, or other business activities at the airport. The airport markets space to potential customers as available (advertising in magazines, sending notices to potential customer lists). Growth, such as the new parking garage for rental car agencies, is making it more attractive for these customers to bring their business to the airport.